



Daily Report

East Asia

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FBIS-EAS-96-066

**Thursday
4 April 1996**

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April 1996

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FBIS-EAS-96-066

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Japan

Japan: Hashimoto Regrets U.S. Ron Brown's Death
OW0404060496 Tokyo KYODO in English
0517 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Prime Minister Ryutaro Hashimoto expressed regret Thursday [4 April] over the presumed death of U.S. Commerce Secretary Ron Brown in the crash of a plane carrying him and U.S. business leaders in Croatia, a top government spokesman said.

Hashimoto personally phoned the Japanese Embassy in the United States in the morning, instructing it to convey his condolences to the U.S. Government, Chief Cabinet Secretary Seiroku Kajiyama said.

Kajiyama quoted Hashimoto as saying he has good memories of Brown and sympathizes with his family and others suffering his loss. [rewording and adding graf]

Brown and about a dozen business leaders are presumed dead after their U.S. Air Force plane crashed Wednesday on its way to Dubrovnik, Croatia, from Tuzla, Bosnia-Herzegovina.

Tokyo Sources: Brown Crash 'Unlikely' To Impact U.S. Summit

OW0404042496 Tokyo KYODO in English
0356 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — The plane crash in Croatia involving U.S. Commerce Secretary Ron Brown is unlikely to have much direct impact on trade negotiations at the upcoming Japan-U.S. summit later this month, Japanese Government sources said Thursday [4 April].

U.S. Trade Representative Mickey Kantor is the one in charge of the insurance, semiconductors and photographic film talks that are expected to be high on the economic agenda when Prime Minister Ryutaro Hashimoto meets with President Bill Clinton, they said.

A U.S. Air Force plane carrying Brown crashed Wednesday into a mountainside some 3 kilometers from its destination airport in Dubrovnik, Croatia, on its way from Tuzla, Bosnia-Herzegovina, an Air Force spokesman said.

Brown was traveling in the Balkans as head of a fact-finding mission of around a dozen U.S. business leaders to facilitate private-sector commitments as part of a multilateral program to reconstruct the war-torn Bosnia.

Asked whether the accident will lead the United States to change its trade policy, the Japanese sources said the

Clinton administration's basic strategy based on export promotion will likely be unchanged.

Brown's influence on U.S. trade policy seems to have been declining since last fall due in part to an allegation about his financial problems, the sources added.

But Brown has been a reliable partner for Japan because he had relatively mild opinions which reflect the actual situation of industrial circles, in contrast to Kantor who tends to push a hard-line approach, they noted.

Japan: U.S. Official Cited on Insurance Impasse Affecting Summit

OW0404124596 Tokyo KYODO in English
1233 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — A U.S. Government official indicated Thursday [4 April] the ongoing deadlock over the Japan-U.S. insurance agreement might dampen the atmosphere of the upcoming bilateral summit scheduled for later this month.

"It's difficult to have the summit celebrate the strength of bilateral relationship (between Japan and the United States)...If existing agreements aren't enforced," said the official who spoke on condition of anonymity.

Insurance is one of the three priority bilateral trade issues that the U.S. wants to see progress made in before President Bill Clinton visits Japan on April 16-18 for the summit with Prime Minister Ryutaro Hashimoto.

The insurance row concerns whether Japanese insurers should be allowed to access the "third sector" of the insurance business, which includes cancer, nursing and other policies that combine life and nonlife benefits.

Japan has effectively allowed only foreign insurers to access the sector.

But under the new insurance business law which went into effect Monday, Japanese life and nonlife insurers can enter each other's business field through subsidiaries. Japan argues that these insurers should be able to sell third-sector policies.

The U.S., however, argues that this runs counter to the bilateral insurance accord, saying the pact calls for avoiding any radical change in the third sector before substantial liberalization in the primary life and nonlife sectors.

"As MOF (the Finance Ministry) prepares to implement the new insurance business law, it appears that some actions would violate the 1994 insurance agreement," the official said.

The official said foreign insurers and smaller local insurers who depend on the third sector could suffer if Japan liberalizes the third sector without deregulating the primary life and nonlife sectors which make up 95 percent of the Japanese insurance market.

However, while Japan and the U.S. are still apart over the interpretation of the accord, "I'm optimistic that we will reach a common understanding about the meaning of this agreement," the official said.

Meanwhile, a senior Foreign Ministry official said that while it will be difficult to resolve the insurance issue by the summit, the two countries should make an environment that will not cause obstructions to the Hashimoto-Clinton meeting.

Japan: 'Source' Says Trade Stance With U.S. 'Has Not Changed'

OW0404014296 Tokyo KYODO in English
0126 GMT 4 Apr 96

[FBIS Transcribed Text] Washington, April 3 KYODO — U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto have exchanged letters over trade issues ahead of their meeting in mid-April in Tokyo, a U.S. Administration source said Wednesday [3 April].

Hashimoto sent his letter recently "in response to the President's earlier letter" on trade issues, the source said, while declining to disclose the contents of either letter.

While neither confirming nor denying the letters, a Japanese diplomatic source said Tokyo's stance has not changed.

Washington has been calling for progress in four major trade areas before Clinton's state visit. The four areas are semiconductor, insurance, aviation, and photographic film and paper.

Last month, the two nations struck an agreement on the air cargo talks. Tokyo is now calling for the two sides to begin talks on passenger flights, and the Clinton administration is also under strong pressure from lawmakers and lobby groups to open passenger talks.

As for the remaining three issues, the two nations remain at odds, with Tokyo even refusing to negotiate on the semiconductor and film areas, and wide gaps remaining in the ongoing insurance talks.

Tokyo has rejected Washington's call for renewing the 1991 semiconductor agreement that expires in July, arguing that the deal has run its course with foreign share in Japan rising above 20 percent as targeted by the U.S.

The U.S. has recently conveyed its intention of not seeking a new numerical target in a bid to encourage Japan to begin full negotiations for a new microchip accord. But Tokyo remains opposed to this.

On the photographic film issue, Japan has refused government-level talks, calling on Washington to file the issue with Japan's Fair Trade Commission as an antitrust case claiming there are no government-erected barriers in Japan.

U.S. Trade Representative Mickey Kantor launched a yearlong investigation last July into Japan's consumer photo film and paper market under the Section 301 provision of the 1974 trade law involving possible sanctions.

The probe followed a petition filed by Eastman Kodak Co., charging Japan's Fuji Photo Film Co. with blocking foreign products through anticompetitive practices in collaboration with the government.

In an annual report on global trade barriers issued this week, Kantor said the Japanese Government maintains "counterliberalization measures" such as strict regulations in opening large-scale retail stores to effectively block distribution of foreign products.

The two nations are proceeding with negotiations over U.S. concerns involving Japan's implementation of the 1995 insurance agreement.

But the two sides remain at odds over interpretation of the accord, which calls for substantial liberalization of the life and nonlife sectors before Tokyo allows Japanese companies to enter the third sector.

Washington has urged Japan to drop its plan of allowing subsidiaries to enter the third sector, calling it a violation of the agreement.

Japan effectively allows only foreign insurers to offer third-sector products such as nursing, cancer and other policies that combine life and nonlife benefits.

Meanwhile, Japan's revised insurance business law came into effect Monday, paving the way for life and nonlife insurance companies through subsidiaries.

But Japan's Finance Ministry has agreed to shelve ordinances for implementing the revised law in the disputed areas with the U.S. until they are resolved.

Japan: Official Says Hashimoto's Chip Pact Refusal Shows Stance

OW0404051296 Tokyo KYODO in English
0459 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Prime Minister Ryutaro Hashimoto's written refusal to

renew the Japan-U.S. semiconductor agreement represents Japan's basic stand on the issue, officials of the Ministry of International Trade and Industry (MITI) said Thursday [4 April].

Hashimoto repeated Japan's opposition to renewing the pact in a recent letter to President Bill Clinton ahead of their planned summit in Japan later this month, government sources said.

His letter came "in response to the President's earlier letter" to Hashimoto on trade issues, a U.S. Government source said, though he declined to comment on the content of either letter.

MITI has consistently rejected any renewal of the microchip accord and holding of intergovernmental talks urged by Washington on the Japanese photographic film market, a senior MITI official said.

Washington is calling for progress in three bilateral trade issues — microchips, photo film and insurance — before the President's state visit to Japan on April 16-18.

Tokyo argues that the chip pact has served its purpose, as shown by the rising foreign share of the Japanese chip market, while it insists the film problem should be filed with the Japanese fair trade commission since the U.S. complaint is about anticompetitive practices.

MITI Minister Shumpei Tsukahara said the microchip pact will not be a fundamental issue of the summit.

Another senior MITI official echoed his view, saying, "The summit will focus on security matters such as those involving U.S. military bases in Okinawa."

"Exchanges on individual trade matters will begin sometime around the April 20-21 meeting in Kobe of trade ministers from Japan, the United States, the European Union and Canada," the official said.

Japan: MOFA Official on Accord With U.S. on Neighboring Rights

OW0404120396 Tokyo YOMIURI SHIMBUN
in Japanese 3 Apr 96 Morning Edition p 11

[FBIS Translated Text] A senior Foreign Ministry official disclosed on 2 April that Japan and the United States have reached agreement on neighboring rights related to music copyrights and that the United States plans to shortly withdraw a complaint it has filed with the World Trade Organization (WTO). The Japanese Government intends to submit as soon as at the upcoming extraordinary Diet session next fall a bill revising the existing Copyright Act to extend to 50 years the period retroactive to which neighboring rights will be protected. While Prime Minister Ryutaro Hashimoto conveyed the gov-

ernment's decision to extend the period of retroactivity when he met with U.S. President Bill Clinton late last February, Japan and the United States have remained at odds over "the agreement on trade-related aspects of intellectual property rights (TRIP)" under the Uruguay Round (of multilateral trade talks).

Japan: Government Says Okinawa Landowner 'Abusing' Property Rights

OW0404084196 Tokyo KYODO in English
0832 GMT 4 Apr 96

[FBIS Transcribed Text] Naha, Japan, April 4 KYODO — The government says a landowner in Okinawa Prefecture seeking the return of his land housing part of a U.S. military facility is abusing his property rights.

The government maintains this position in a document filed with the Naha District Court against a petition by the landowner, Shoichi Chibana, a 47-year-old grocer.

Chibana has demanded access to his plot of land in the village of Yomitan, located in the central part of Okinawa, and its eventual return.

In the counter motion, the government asks the court to reject Chibana's demand, arguing, "the demand constitutes an abuse of rights, since if a temporary disposition is granted, this will lead to major damage for the state of Japan, including an adverse effect on our security policy and international relations."

The lease on Chibana's land, which is part of a 530,000-square-meter compound housing the Sobe communications facility, expired at midnight Sunday [31 March], leaving it occupied by the U.S. military without a valid lease in the wake of Okinawa Gov. Masahide Ota's refusal to sign papers compulsorily renewing the lease.

The state motion, a copy of which was obtained by KYODO news on Thursday, also says the demanded removal of military structures such as an antenna base from Chibana's land would seriously impair the communication facility's functions.

"In addition it would greatly impact on our national security," the motion said.

If Chibana is allowed to enter his land, this could cause transmission disturbances because the radio wiring buried underground is very sensitive to ground movements, it said.

"The U.S. military and the state are in high need of that land because its return would necessitate the relocation of the entire facility, which would be extremely difficult given that a site with a similar topography is asked for," it said.

The state also stressed the importance of the security alliance with the United States in the face of potential security threats, citing North Korea's suspected development of nuclear weapons and conflicting territorial claims to the Spratly Islands in the South China Sea.

Court hearings on Chibana's request are slated to start Friday.

In a related development, an official from the Defense Facilities Administration Agency's Naha branch admitted Thursday that he had asked the landowner Wednesday about the requested access to his land.

Shuko Izena, the official, said "I certainly asked him about when and with how many people he wants to enter."

Izena had earlier dismissed reports that the matter was broached in the conversation, which took place in front of Chibana's grocery store.

But he dismissed reports that he had intended to actively negotiate conditions for Chibana's entry into the compound.

"I only went to hear his opinion, because he has asked to be given access to his land," Izena said.

Chibana said he did not ask for access to his land in conversations with agency officials who came to his shop Wednesday and Thursday and that he refused to accept money for the use of his land after the expiry of the lease.

He said he has told the officials to stay away from his shop. "I don't want different people to come here and bother me from dawn till dusk with statements about my request for access to my land," he said.

Japan: U.S. Forces To Stop Off-Base Marches on Okinawa

*OW0404103996 Tokyo KYODO in English
1014 GMT 4 Apr 96*

[FBIS Transcribed Text] Tokyo, April 4 KYODO — The United States said Thursday [4 April] it is putting an end to military training hikes conducted off its bases and facilities in Okinawa Prefecture as part of efforts to ease the security burden placed on the prefecture, a Foreign Ministry official told reporters.

The U.S. made the pledge, effective immediately, in a second meeting of a special Japan-U.S. Committee on U.S. military bases on Okinawa, the official said.

U.S. forces stationed in the island prefecture, located 1,600 kilometers southwest of Tokyo, will instead conduct training hikes — a target of criticism from local

residents — within their facilities and sites except in emergency cases.

At Thursday's session, Japan and the U.S. also agreed to hold a bilateral cabinet-level meeting of officials in charge of foreign and defense affairs, possibly on April 15, to issue an interim report on how to consolidate and reduce U.S. bases in the prefecture, the official said.

Japan and the U.S. have been trying to chart a course for the realignment and scaling-down of U.S. military facilities and sites in Okinawa ahead of the scheduled April 17 summit between Prime Minister Ryutaro Hashimoto and President Bill Clinton.

Although the island of Okinawa by itself accounts for less than 1 percent of Japan's total land area, some 75 percent of all the land in Japan reserved for U.S. military use is located there. Some 30,000 of the 47,000 U.S. troops in Japan are stationed in the prefecture.

Local residents' criticism of the large U.S. military presence in Okinawa has mounted since last September, when a 12-year-old local schoolgirl was abducted and raped, for which three American servicemen were convicted.

The second meeting of the special action committee on U.S. bases drew such Japanese officials as Masaki Orita, director general of the Foreign Ministry's North American Affairs Bureau, and Masahiro Akiyama, director general of the Defense Agency's Defense Policy Bureau.

U.S. participants included U.S. Ambassador to Japan Walter Mondale, Thomas Hubbard, deputy assistant secretary of state, Kurt Campbell, deputy assistant secretary of defense, and Richard Myers, the commander of the U.S. Forces in Japan.

Mondale was quoted as telling the session that the U.S. will strive further to ease the security burden in Okinawa while seeking to make U.S. troops continue to fulfill their obligations under the bilateral security arrangements.

In their slated summit gathering, Hashimoto and Clinton are expected to reaffirm the importance of the Japan-U.S. security alliance in the post-Cold War era.

Japan: Analyst Sees Need To Redefine U.S. Alliance

*OW0404050896 Tokyo ASAHI SHIMBUN
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[Article by Yoichi Funabashi, ASAHI SHIMBUN Washington Bureau chief; part one of eight-part series

entitled "Okinawa— Understanding the Japan-U.S. Security Alliance": "The United States' Thinking"]

[FBIS Translated Text] Joseph S. Nye, Jr., international politics scholar, has returned to his old home, Harvard University, as a professor.

He worked as the Clinton administration's assistant secretary of defense for international security affairs for a little over a year, until December last year. During that time he carried on work later dubbed "the Nye Initiative," on redefining the Japan-U.S. Security Alliance relationship. He attempted to define the way an alliance should be by redefining Japan-U.S. relations, which had suddenly begun to waver following the end of the Cold War, by paying due consideration to transition in long-range strategic phenomena.

One result was the decision to maintain U.S. military strength in the Asia-Pacific region, made public in the "United States Security Strategy for the East Asia-Pacific Region" [EASR], released last February by the Pentagon. The report said that strength would be "about 100,000 troops for the foreseeable future."

Professor Nye, whom I had not seen for a long time, was eloquent, as usual. The Nye Initiative was prepared in answer to three sectors: Congress, bureaucrats, and the public. It explained to Congress about increased expenditures for U.S. troops stationed in Japan, to the bureaucrats about EASR and Japan's new defense outline, and to the public about the Japan-U.S. joint declaration. Nye's explanation was clear cut, but he became a little defensive when the topic came to the point of the "100,000-troop system."

He did not hide his irritation over the fact that "100,000 troops" had unintentionally become an independent "magic number" and over the criticism poured over him — "the number will be fixed for 20 years," "the Nye Initiative represents status-quo thinking," and so forth.

Nye said, "For instance, if the Korean Peninsula is unified peacefully within five years, 100,000 troops will not be necessary. A large-scale pullout of troops may be possible. A hundred thousand troops is the standard as of now. It is not a figure set in reinforced concrete."

"The future scale of U.S. Marines on Okinawa depends on developments on the Korean Peninsula, and it is feasible that the number will become far lower if you ask whether they are still necessary 10 years from now."

To begin with, the "100,000 troops system" was proposed by the Pentagon following the end of the Cold War as an attempt to block rapid withdrawal of U.S. military strength from overseas. Secretary of Defense William Perry took the historical view that "four times

in this century, the United States committed the error of reducing its military strength one-sidedly and haphazardly." Military withdrawal across the world following the First World War, the Second World War, the Korean war, and the Vietnam war rendered the world situation unstable. The Defense Secretary stressed that such an error must not be repeated this time, following the end of the Cold War.

Nye recollected that time by saying, "The United States must maintain military strength overseas that can cope simultaneously with two major regional conflicts in the world, meaning the Korean Peninsula and the Persian Gulf. For this reason, it was concluded that a minimum of 100,000 troops is necessary in these areas." The total strength of U.S. troops stationed in the region in 1990 was 135,000, dwindling to 100,000 in 1994.

According to Nye, "a little friction exists" between the military and civilians due to uneasiness and criticism by the military that "a fixed number will pose problems, and adjustments are necessary according to the kind of operation" and that "it is not the number but the ability that counts."

Among upper echelons of the military, however, a political judgment seemed to exist that "it is easy to resist Congressional demands for reduction if a figure is shown as a commitment to foreign countries." So a compromise seems to have been reached on the ground that "cooperation at this point is advisable." It was a "castle of figures" delicately piled up in accordance with political considerations.

At this juncture, an incident occurred in Okinawa involving the rape of a schoolgirl by U.S. servicemen.

The Japan side, after the incident, could no longer ignore the "voice of Okinawa" represented by Governor Masahide Ota, who said, "It becomes exceedingly difficult to realize the restructuring and reducing of U.S. military bases on Okinawa, if the 100,000-troop level continues to be enforced." As the situation stood, the United States became suspicious that Japan had begun to waver; thus the U.S. attempts to stick firmly to "100,000 troops."

When U.S. President Bill Clinton scheduled a visit to Japan in November last year, later postponed, the U.S. wished to insert the "100,000 troops" phrase in the joint declaration, but Japan was less enthusiastic. It is still undecided how this figure will be treated in the joint declaration to be issued at the Japan-U.S. summit this April, almost as if it were an unwanted child.

After the end of the Cold War, a situation developed such that neither side would trust anything other than

straightforward figures, due to a multiplication leadership failures on top of psychological and political gaps between Japan and the United States and between the United States and Asia. Thus the "100,000 troops system" can be said a product created by a lack of mutual trust.

However, this was from the very start a political as well as psychological phenomenon with mixed falsehood and truth. It subtly left out a certain degree of "ambiguity." That is the way a deterrent power should be, and the magic was meant to work that way.

Now Okinawa is going to dispel that magic.

It is said that success has many fathers but that failure is an orphan. In that sense, the Nye Initiative may deserve to be a success.

A number of groups participated in the new policy concepts initiated by former Assistant Defense Secretary Joseph S. Nye, Jr. to redefine the security relationship between Japan and the United States after the end of the Cold War. They were not confined to Pentagon professionals. Several Japanese specialists and some connected to the Republican Party also extended support from the sides. Nobody, who had taken part in the project would conceal the fact. "Frankly speaking, it was a joint effort. Because of Nye's appearance on the scene, each one of us injected his own thoughts and ideas," as a senior Pentagon official put it.

Nye Had a Sense of Crisis About Japan Bashing

It was the summer of 1994 when Japan-U.S. relations seemed to be adrift. The coalition government led by Tomiichi Murayama was born in Japan. The president of the Social Democratic Party of Japan (SDPJ—now renamed the Social Democratic Party), which had advocated "opposition to the Japan-U.S. Mutual Security Alliance," became Japan's prime minister. Some feared the Asian fever prevailing in Japan would expedite Japan's trend towards severing itself from the United States. The Japan-U.S. summit at the beginning of that year came broke up over trade problems. U.S. Trade Representative Mickey Kantor as usual repeated his Japan bashing.

Reacting to this, Nye had a mounting feeling of crisis. No sooner he was appointed assistant secretary of defense in September 1994 than he took up strengthening dialogues revolving around the Japan-U.S. Mutual Security Alliance as the top-priority task.

Nye visited Japan in October and again in November. Before the visits, the U.S. side was already doing groundwork to step up dialogues with top and senior officials of the Foreign Ministry and Defense Agency.

On these occasions, the U.S. side strived to make contacts with mid-level and young Defense Agency officials who had superior international sense.

What Nye attached importance to, among other things, was exchanging information and engaging in policy dialogues so that the EASR and the new Defense Program Outline of the Japanese Government could be linked more systematically. Nye showed the EASR draft to the Japanese before he showed it to the U.S. military. Thus he tried to demonstrate that the U.S. was seriously considering what he called the "necessity of realigning policies."

At that time, the U.S. Government faced an immediate security problem, the threat of the DPRK's developing nuclear arms. Although the tense situation in the Korean Peninsula was eased by former U.S. President Jimmy Carter's mediation, Japan brought its confusion in politics and policy to light in the meantime. On everybody's mind was the "nightmare of the Persian Gulf crisis and war." Certainly it provided one of the chances that encouraged the Nye Initiative.

On Nye's mind, however, was a strategic vision of the United States looking long into the future. In the 21st century, Japan and China will compete as two great powers in the Asia-Pacific region. Both countries are invariably challengers to the established order. Under such circumstances, what kind of strategy should be worked out in order for the United States to survive as a world superpower?

Nye's concept was to work out a long-range fundamental framework for the United States to pair with Japan to cope with China, not to portray China as an enemy and encircle it. His idea is not "containment" but "engagement."

There are many types of "engagement." Nye's strategy was to engage China by "reconstructing the Japan-U.S. Alliance." At the beginning of the Cold War, strategist George Kennan for the first time advocated containment of the Soviet Union by the West. The case of Kennan must have flashed on when Nye for the first time clearly called for engagement of post-Cold War China by Japan and the United States.

Nye recollected that time by saying, "China was a decisively important factor." "It is far better for Japan and the United States to coordinate in engaging China, in order not to give China a chance to make Japan and the United States compete with each other. Otherwise, not only will Japan-U.S. friction intensify, but China will also cease to be a responsible power. Japan and the United States have to cooperate in making China part of East Asia as a more responsible power."

Nye thinks that in this way the United States can maintain its influence in the Asia-Pacific region in the best possible manner.

China's Suspicion Lingers

When he visited Japan in November last year, Nye had friendly talks with senior officials of Japan's Foreign Ministry in a relaxed atmosphere at a Tokyo night club, and he was strongly impressed by the remarks of one participant, a diplomat who specializes in Chinese affairs, who asked, "Is it not the U.S. intention to make Japan and China compete with each other? Will the United States not forget about Japan when China gets more powerful?"

Nye was strongly encouraged by the fact that he could "discuss" with Japanese policymaking authorities "matters related to this most fundamental fear."

China, however, was watching with suspicion such "redefinition" work on the Japan-U.S. security alliance. Is the "redefinition" not another name for "containment of China?"

When Nye visited China in November last year, his main objective was to find a way to reopen military exchanges between the United States and China. Another aim, a hidden one, was to explain to the Chinese and get the Chinese to understand the redefinition work on the Japan-U.S. security alliance.

Through the meeting with Chinese Defense Minister Chi Haotian, Nye felt keenly the Chinese "fear of a revival of Japanese militarism." Nye said, however, he felt almost no sense of alarm against the "redefinition" itself.

At the core of Nye's stratagem is the theory that the "U.S. presence provides oxygen." He thinks that only the United States, neither Japan nor China, can provide the "oxygen" indispensable to the stability in this region. His tour of China served to strengthen that view.

However, China still seemed to be suspicious of the "redefinition." A veteran Chinese diplomat suspected Japan and the United States were maneuvering to distract attention from the redefinition work, which had begun to grate as a result of the school-girl rape incident on Okinawa, and to tighten again the bond that had been loosened by emphasizing the mounting tension between China and Taiwan since last autumn.

Tension Still Hovers Over Economy and Security Alliance

The Nye Initiative had to be carried out cautiously because of fears that government economic offices would block it in their eagerness to score high in economic and trade negotiations with Japan.

The Clinton Administration made economic and trade problems top-priority problems to tackle. A man involved in working out the initiative said, "Those in charge of trade were politically oriented and had political power." No longer effective was the leverage of the principle the State Department and the Pentagon had consistently employed in responding to economic friction between Japan and the United States — that "economic relations should not adversely affect security relations." As a matter of fact, in summer 1995, when Japan-U.S. relations were tense due to the deadlock in automobile parts negotiations between the two countries, Trade Representative Kantor was irritated by the Nye Initiative," according to a senior U.S. official.

The U.S. National Security Council [NSC] and the State Department were afraid of failing and being branded "national traitors" in "battles" with Japan over economics and trade. But Professor Ezra F. Vogel of Harvard University, who served as an adviser under Nye as an information analyst for the U.S. Government at that time, testified that "economic-related government offices did not pursue economic and trade interests at the cost of the security alliance." Although the NSC and the State Department did not lead the effort to work out new a Japanese policy, several officials from those agencies supported the Nye Initiative from behind.

The Okinawan incident delivered unintended shocks. Policy dialogues that were to have been dealt with by a handful of security troubleshooters were pulled out into the arena of broader policy discussion. Deputy Assistant Defense Secretary Curt Campbell [name as transliterated], adjutant to Assistant Secretary Nye, appraised such events as "contributing to a sharper focus, both in feelings and in relations."

Nye has this comment: "From that tragic incident, we learned how important it is to think further ahead. It was after that incident that serious considerations began to deal with the possibility of peaceful unification of the Korean Peninsula and its effect on military structure in Okinawa or on possibly reducing the number of troops."

Japan: Almost 500 Fake \$100 Notes Found; DPRK Link Suspected

OW0404125896 Tokyo KYODO in English
1215 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Nearly 500 counterfeit U.S. 100 dollar notes, believed to be similar to those allegedly used by a former member of a now-defunct Japanese Red Army faction, have been found in Japan, police sources said Thursday [4 April].

The fake bills are believed to be identical to extremely well made fake U.S. notes dubbed "Super K" bills.

and were allegedly used by Yoshimi Tanaka, who was arrested by Thai police last month on suspicion of using counterfeit U.S. dollars in January, the sources said.

Police suspect a possible link between these fake U.S. bills and North Korea because U.S. dollars received last year by a Tokyo trading company for its used car exports to North Korea were found to be similar to Super K bills, the sources said.

The sources said there are eight types of Super K bills in circulation, mainly in Southeast Asia. Seven types of Super K bills have been found in Japan since 1990 when such fake bills were first discovered in the country.

Some 200 such fake bills were found in Japan last year alone. They included 54 fake bills which were among 500 hundred dollar notes that a Tokyo trading company executive took in North Korea last May for exports of used cars, the sources said.

These fake bills are made well enough to pass through banks' counterfeit-checking machines, they said.

Some 70 billion dollars worth of Super K bills have been circulated throughout the world. Police suspect a large counterfeiting group is behind the scheme and that they are produced by very advanced printing machines.

Tanaka, 47, is one of the Japanese Red Army faction members who defected to North Korea in 1970 after hijacking a Japan Airlines plane from Tokyo.

Japan: Government, Coalition Expected To Review Arms Exports Ban

OW0304135296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Apr 96 Morning Edition p 2

[FBIS Translated Text] Senior officials of the U.S. Department of Defense have told the Japanese Government that the United States intends to share the burden of the joint development of defense equipment and procure developed devices. The Japanese Government and the ruling parties will be forced in the future to decide whether the government has to ease partially its conventional policy of banning arms exports. They are likely to promote discussions on the possibility while watching the situation of the domestic defense industry, which has been forced to carry out restructuring due to a drop in demand following a cutback in the Self-Defense Forces.

The government decided to ban exports of arms and arms-related technology under the "three principles on arms exports" during the era of the 1967 Sato cabinet as well as in the government's unified view in 1976. After that, it decided in 1983 that Japan's original arms-related technology could be provided only to the United States, to promote defense technology

exchanges. Following that decision, the government announced its unified view that exports of samples of arms parts with technology that was supposed to be provided to the United States would be regarded as an exception to the ban on arms exports. Japan then exported sample parts of the next-generation F-2 fighter to the United States.

The four Japanese defense industry organizations, including the Defense Production Committee of Keidanren [Federation of Economic Organizations of Japan], requested in May 1995 that exceptions to the arms export policy be increased. Noting the defense industry's severe condition, they "requested that exports of mass-produced parts to the United States be permitted only if the equipment is developed jointly with the country."

The coalition-leading Liberal Democratic Party's National Defense Division has decided to discuss the arms exports issue. There have been many calls within the division for "reviewing the ban on arms exports to protect the defense industry." However, as the coalition-partner Social Democratic Party is reluctant to do so, a tug of war within the ruling parties has already started.

The U.S. proposal is welcomed by the Defense Agency, which is seeking a way of reducing expenses of defense equipment. However, even if exports aim only at arms parts, paving the way for arms exports to foreign countries means a considerable change in the government's policy. There are many points that need to be discussed, such as the possibility that parts exported to the United States may be flown out to third countries or that the Japanese defense industry may put emphasis on arms exports.

Japan: Ikeda, Qian Qichen Fail To Narrow Gap on Taiwan Issue

OW0304145696 Tokyo YOMIURI SHIMBUN in Japanese 2 Apr 96 Morning Edition p 5

[Editorial: "Government Urged To Continue To Call for China's Self-Restraint"]

[FBIS Translated Text] The Japanese and the Chinese foreign ministers agreed to launch talks on seeking a new Japan-PRC fishery agreement in connection with both sides' planned ratification of the U.N. Convention on the Law of the Sea. However, the two men failed to narrow the gap in their views on controversial issues regarding China-Taiwan tension and nuclear testing by Beijing.

Before the talks, great attention was focused on the Chinese side's position because it was the first meeting between the foreign ministers of the two nations after the Chinese military's missile drills off Taiwan.

Nevertheless, the talks ended in China's reiteration of its unchanged hardline attitude toward these controversial issues.

In past summit or foreign minister-level talks, the question of "historical perception" of Japan was apt to come up on the "main agenda," and it was easily to see that the Japanese side often refrained from saying what it ought to.

In view of this, at the recent talks, the Japanese foreign minister actively expressed Japanese positions. Touching on the military exercises, Foreign Minister Ikeda said many Japanese people see China's actions as an attempt to settle the issue by applying military pressure and criticized China, saying: "Japanese people reacted strongly against China's actions, and I cannot help having doubts about what China did."

In addition, Ikeda urged his counterpart to immediately cancel China's planned nuclear testing and added, "I would like you to understand that there are severe opinions within Japan on nuclear testing."

Thus he called for exercising self-restraint on testing while suggesting that there is a hardline view within the Liberal Democratic Party and other ruling partners that the fourth yen-based loans to China (approximately ¥380 billion in total), which starts from fiscal 1996, should be frozen or shelved.

These appeals by Foreign Minister Ikeda are ones Japan can maintain without hesitation because Japan's economic cooperation is given for peace and stabilization purposes.

In response to Ikeda's remarks on the military drills, Chinese Foreign Minister Qian Qichen said that "the exercises reflect China's determination to oppose Taiwan's independence." He went on to say: "Aside from the United States, another nation that reacted strongly to our military drills was Japan. Other nations did not react so strongly." In this way, he held Japan's position in check.

As for nuclear testing, Foreign Minister Qian expressed China's stand of not changing its plan to continue tests and opposing the idea of linking nuclear testing with economic cooperation.

Although these positions by China were anticipated, we would like to express anew our concern about China's attitude.

Referring to the Japan-U.S. Security Treaty, which is to be reconfirmed at coming Japan-U.S. summit talks, the Chinese Foreign Minister said "I hope that it will not run counter to progress in healthy Japan-China relations." His remarks indicate that China's view on the treaty is

clearly different from previous ones in which China had showed some understanding of the pact.

It is easy to guess that what lies behind his remarks is China's wariness of moves by Japan and the United States to deal with such issues as PRC-Taiwan tension. However, if China gives up intimidation, it does not have to be cautious about the security pact. China should keep in mind that the issue stems from its own actions.

If China fails to listen to world opinion on its relations with Taiwan and nuclear testing, it will gain nothing. This is because taking such an attitude would certainly lead to bolstering the view that "China is a threat to the world."

Japan, for its part, is required to resolutely call at every opportunity on China to seek the settlement of China-Taiwan tension through dialogue and cancel nuclear testing immediately.

Japan: MITI, State Council Officials Discuss PRC Auto Policy

OW0404115296 Tokyo ASAHI SHIMBUN
in Japanese 3 Apr 96 Morning Edition p 11

[FBIS Translated Text] The first Japanese-Chinese auto industrial liaison meeting ended a two-day session in Tokyo on 2 April. Officials of the Ministry of International Trade and Industry (MITI) and China's State Planning Commission exchanged opinions on how China's auto policy should be formulated.

The focus of China's auto policy has so far been on the establishment of a mass production system. MITI officials noted it will be essential to formulate a comprehensive policy, including the creation of a sales system to facilitate the distribution of automobiles among the Chinese people and the improvement of streets as well as service stations.

Japan: PRC Approves Toyota-Tianjin Joint Engine Venture

OW0404035396 Tokyo KYODO in English
0307 GMT 4 Apr 96

[FBIS Transcribed Text] Nagoya, April 4 KYODO —
- China has approved a joint car-engine production venture between Japan's Toyota Motor Corp. and its Chinese partner, Tianjin Automotive Industrial (Group) Co., industry sources said Thursday [4 April].

The deal will be signed shortly, the sources said, adding the auto giant's investment is estimated at 25 billion yen.

This marks Toyota's first joint venture in China.

The automaker intends to expand the venture into one for production of cars in the future, industry analysts said.

A Toyota spokesman said he has not heard that such an agreement has been reached with Tianjin Automotive. "It is still premature to comment" on the venture, he said.

The sources said, however, Toyota and Tianjin Automotive will jointly turn out a sophisticated version of 1300 CC [cubic centimeters] engines at an annual rate of 150,000, with Toyota supplying technological assistance to the Chinese partner.

They hope to launch such output three years later, according to the sources, and the engines will be installed in the Charade car produced by Tianjin Automotive.

Tianjin Automotive, one of China's 10 largest automakers, is now producing the subcompact with technological help from Daihatsu Motor Co., which belongs to the Toyota Motor Group. Last year, it assembled 70,000 vehicles.

Currently, the Chinese Government limits joint ventures with foreign concerns for production of motor vehicles to those that are capable of making at least 150,000 vehicles a year.

Toyota intends to assemble a Corona class midsize car in China in the future, the sources said.

Toyota entered into negotiations with Tianjin Automotive around 1993. The talks hit a roadblock, however.

The two automakers recently rushed through with negotiations since the Chinese Government discontinued preferential tariffs on machinery and equipment imports by foreign businesses there at the end of last month, the sources said.

Japan: UN Chief Seeks Tokyo's Help in Averting Financial Crisis

*OW0304074796 Tokyo KYODO in English
0642 GMT 3 Apr 96*

[FBIS Transcribed Text] Tokyo, April 3 KYODO — UN Secretary General Butrus Butrus-Ghali urged Japan's cooperation Wednesday [3 April] in averting an impending financial crisis for the world body, Foreign Ministry officials said.

In a meeting with former Foreign Minister Koji Kakizawa, the UN chief sought Japan's role in persuading the United States to pay its arrears of more than \$1 billion, among other things, the officials said.

Butrus-Ghali, who arrived in Japan on Tuesday for a five-day visit, complained the U.S. and other countries'

arrears have prevented the United Nations from concentrating on its own reform, they said.

Reiterating his support for Japan's entry into the U.N. Security Council as a permanent member, he also said momentum for the proposed reform of the powerful council should be regained.

In a separate meeting with Yohei Kono, another former foreign minister, Butrus-Ghali welcomed Tokyo's recently active role in UN peacekeeping efforts and its contribution to global disarmament and arms control, the officials said.

Kono said he hopes the proposed Comprehensive Test Ban Treaty will be signed this year so as to halt all underground nuclear test blasts, they added.

Japan: Ikeda, Butrus-Ghali Agree To Cooperate in Balkans, Africa

*OW0304131696 Tokyo KYODO in English
1240 GMT 3 Apr 96*

[FBIS Transcribed Text] Tokyo, April 3 KYODO — UN Secretary General Butrus Butrus-Ghali and Foreign Minister Yukihiko Ikeda shared the same view Wednesday [3 April] that the world body and Japan should cooperate to help both the former Yugoslavia and nations in Africa, a Foreign Ministry official said.

The UN chief asked for cooperation to stabilize and reconstruct the former Yugoslavia by the time the North Atlantic Treaty Organization (NATO) contingent withdraws from the region in October.

Ikeda pledged to study ways to help the former Yugoslavia.

He and Butrus-Ghali agreed it is necessary to reinforce development assistance for Africa.

Butrus-Ghali was quoted as saying that the United Nations would make efforts in soon-to-come discussions with Iraq to allow that country to sell specified amounts of oil to buy food and other humanitarian needs.

Iraq has been barred from exporting crude oil since its invasion of Kuwait in 1990 and the embargo has resulted in shortages of food, medicines and other goods.

Ikeda expressed a positive stance on a plan to give permanent seats on the UN Security Council to regions of Asia, Africa and Latin America so that countries in the regions can take seats by turn, in addition to new permanent membership to Japan and Germany.

Tokyo and Germany have sought to gain permanent membership on the UN Security Council.

Butrus-Ghali said some new "initiative" is needed for Security Council reform, saying his drive for such reform has not gone smoothly due partly to UN financial difficulties.

Ikeda said Japan has proposed to set countries' new financial shares to the UN in proportion to their responsibilities for the world body.

Butrus-Ghali thanked Japan for cooperation with the UN in such fields as peacekeeping activities, democratization assistance, demilitarization, including drives for signing a Comprehensive Test Ban Treaty, and humanitarian assistance, particularly works by the UN High Commissioner for Refugees.

In a separate meeting with Yohei Kono, former foreign minister, Butrus-Ghali welcomed Tokyo's recently active role in UN peacekeeping efforts and its contribution to global disarmament and arms control, officials said.

Kono said he hopes a proposed Comprehensive Test Ban Treaty will be signed this year so as to halt all underground nuclear test blasts, they said.

Later Wednesday, the UN chief met with Prime Minister Ryutaro Hashimoto over a dinner.

Butrus-Ghali arrived in Japan on Tuesday and will leave Saturday.

Japan: Butrus-Ghali Urges Tokyo To Play Political Role in UN

OW0304141596 Tokyo KYODO in English
1315 GMT 3 Apr 96

[FBIS Transcribed Text] Tokyo, April 3 KYODO — UN Secretary General Butrus Butrus-Ghali told Prime Minister Ryutaro Hashimoto on Wednesday [3 April] that Japan should play a more important political role, not only a financial role, to help the world body, a Foreign Ministry official said.

The UN chief did not elaborate, while the prime minister said Japan has trusted the United Nations and will keep on supporting it.

Earlier in a meeting with Foreign Minister Yukihiko Ikeda, Butrus-Ghali asked Ikeda for cooperation to stabilize and reconstruct the former Yugoslavia by the time the North Atlantic Treaty Organization (NATO) contingent withdraws from the region in October.

Ikeda pledged to study ways to help restore the region.

They agreed it is necessary to reinforce development assistance toward Africa.

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allow that country to sell specified amounts of oil to buy food and other humanitarian needs.

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Japan: Article on Korean Peninsula Emergency Scenario

OW0404013996 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 31 Mar 96 Morning Edition p 2

[Second in unattributed two-part series, "Uncertainty in DPRK Situation": "Government's 'Preparation' Not Enough"]

[FBIS Translated Text] "This is strictly confidential..." [ellipses as published] began Masaki Orita, director of the Foreign Ministry's North American Bureau, at a meeting of the Liberal Democratic Party [LDP]'s Security Research Council on 26 March on the Japanese

Government's measures to deal with an emergency in the Far East.

Study To Work Out Countermeasures Suspended

"To tell you the truth, the government studied, in the spring of 1994 when the DPRK (North Korea) was suspected of developing nuclear weapons, countermeasures by assuming several cases."

In 1994, when the LDP was an opposition party under the Hata administration, the government began to study how well Japan could deal with an emergency within the scope of the Constitution and laws, by assuming three scenarios — 1) the United Nations decides to impose economic sanctions on North Korea; 2) the U.S. and North Korean military forces enter a state of war on the Korean peninsula; and 3) many refugees move out of the Korean Peninsula and rush to neighboring countries. However, the study was suspended after enumerating problem points, thanks to the detente reached afterwards.

When the serious food crisis started, however, fears of a possible collapse of the Kim Chong-il regime in North Korea began to spread out recently. Accordingly, debate over an emergency on the Korean peninsula reignited.

The study made two years ago was focused on the Self-Defense Forces' participation in a "sea blockade" by UN member nations "to enforce UN sanctions designed to stop marine transportation to North Korea." However, the outflow of a large number of refugees is a matter of concern and interest this time. The reason is that it is possible some refugees may try to come to Japan by ship, although it is highly likely that a large portion of them, if they move out from North Korea, will rush to northeastern China or the ROK, where they can go by land.

Concerns About Armed Refugees

"The thing we are worried about is that there are two types of refugees," said a Defence Agency (DA) official in charge of information investigation, looking perplexed. The Immigration Bureau of the Justice Ministry and the Maritime Safety Agency have jurisdiction over refugee issues, if they are ordinary refugees, and has experience in dealing with Vietnamese refugees. But it is imaginable that armed soldiers could escape from the military and become "armed refugees."

The DA director general can order the Maritime Self-Defense Force to take "coast guard actions" to control refugees while they are at the sea, but "the government does not have instructions" for a case in which a large number of armed refugees land on Tsushima or Iki all at once (said a senior DA official).

This is not the only scenario. The DA cannot completely rule out a scenario in which the North Korean military may launch sudden attacks on the ROK.

U.S. forces in Japan and South Korea will probably immediately use its air force, aircraft carrier battle groups, offensive aircraft, cruise missiles, and other weapons to pound on the North Korean military, if it advances southward. It is certain that the U.S. military at such a time would ask Japan for logistical support — including joint use of SDF bases and civilian airports, additional harbor facilities, material supplies, and medical services.

It will be no problem as far as the Japan-U.S. Security Treaty is concerned to offer additional facilities to the U.S. military. But logistical support, which can be interpreted as joint military action with the U.S. forces, would be considered "use of the collective self-defense right," which is against the constitution according to the government's interpretation.

System Problems

A senior DA official expresses his concerns, saying: "A decisive gap would be made between Japan and the United States if the SDF did not give logistic support to the U.S. military at a time of emergency on the Korean peninsula." However, since the Cabinet Legislation Bureau and the Social Democratic Party are taking a prudent stance on the issue of reviewing the government's constitutional interpretation, the LDP is saying that "it is very difficult to do under the framework of the current administration" (according to Taku Yamasaki, chairman of the LDP Policy Research Council).

A senior SDF official predicts that "the Japanese people will sense the crisis with their skins and approve most SDF actions once a war breaks out in a country next door to us." But Seiji Maehara, chairman of New Party Sakigake's Diplomatic Department (gaimu bu), points out that "the principle of civilian control will be destroyed if the government allows the SDF to take supralegal measures or quickly enacts a law as if it were an expediency coming too late." Likewise, there are system problems.

"Emergency measures are certainly stored in my brain." On 19 March, Prime Minister Ryutaro Hashimoto disclosed to former DA Director General Tsutomu Kawara and other officials that the LDP had secretly formed a study group chaired by Hashimoto himself, who was then chairman of the Policy Research Council, in spring 1994 when the North Korean nuclear weapons crisis started on the Korean peninsula, and discussed measures to deal with situation. Hashimoto sounded

confident that he could deal with an emergency on the Korean peninsula. Since the government's "preparation" is not necessarily sufficient, the remarks the prime minister made while the situation surrounding North Korea is becoming increasingly uncertain gives us the impression that he is walking on a tightrope.

Tokyo To Give Relief Goods to Ecuador Following Earthquake

OW0304091696 Tokyo KYODO in English
0827 GMT 3 Apr 96

[FBIS Transcribed Text] Tokyo, April 3 KYODO — Japan will supply relief goods worth 10.84 million yen to Ecuador, which was severely damaged by last week's earthquake, government officials said Wednesday [3 April].

The emergency relief goods will include tents, plastic tanks and water-purifying tablets, the officials said.

A strong earthquake rocked the central part of Ecuador last Thursday, killing 21 people, heavily injuring 66 and affecting about 15,000 others.

Foreign Minister Yukihiko Ikeda sent out a message Tuesday to Ecuadoran Foreign Minister Galo Leoro Franco, expressing his sympathy for the country.

Japan: MITI Official Sees No Need To Change Monetary Policy

OW0404101496 Tokyo KYODO in English
0903 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Japan has no need to change its current easy monetary stance amid the current moderate economic recovery, a senior official of the Ministry of International Trade and Industry (MITI) said Thursday [4 April].

MITI Vice Minister Tomio Tsutsumi said at a press conference, "I don't expect any change in monetary policy (by the Bank of Japan) [BOJ]...I don't believe there was a change and I hope for no change."

On Wednesday, BOJ Governor Yasuo Matsushita said in a speech at a private seminar that recent upturns in interest rates are natural, reflecting expectations for economic recovery.

Tsutsumi said Matsushita pointed to the need to carefully watch whether private demand, instead of the public sector, can lead to economic recovery because of feeble recovery in private capital spending.

Given such an economic assessment, the central bank should not change its monetary stance, Tsutsumi said.

Japan: BOJ's Matsushita 'Positive' About Liquidation Plan

OW0404051696 Tokyo KYODO in English
0437 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Bank of Japan Governor Yasuo Matsushita on Thursday [4 April] expressed a positive view of liquidation and securitization of assets that would facilitate the disposal of bad loans by financial institutions.

"If a market (for liquidation and securitization) is established, it would help in the disposal of bad loans and would also contribute toward activating the financial markets," Matsushita said at a session of the House of Representatives Budget Committee.

"We hope to support moves to create such a market by referring to cases in the United States," he said.

The top banker expressed confidence in the ability of financial institutions to dispose of their nonperforming loans.

"Considering their profitability and the scale of their internal reserves, they will generally be able to respond to the bad loan problem," he said.

At the same time he noted the need for financial institutions to make further restructuring efforts and to strengthen their net capital in order to regain confidence both at home and overseas.

On interest rates, Matsushita implied that the current trend of record low interest rates could be drawing to an end. "If interest rates are set in line with the future outlook, they should not restrict corporate activities or hamper economic recovery," he said.

He expressed optimism toward revising the Bank of Japan law to bring it in line with the current economic and financial conditions, saying the law no longer corresponds with current circumstances.

"We need to revise the law in line with economic and financial changes so that it can stand comparison with central bank laws in other countries," he said.

Japan: BOJ Officials Deny Dependence on Government

OW0404114996 Tokyo KYODO in English
1127 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Bank of Japan (BOJ) officials Thursday [4 April] denied an allegation that the Japanese central bank is less independent of the government than its counterparts in other countries.

The officials said the BOJ's independence is underestimated, commenting on a survey report included in a collection of financial essays the central bank has recently published.

The report compiled findings by eight international surveys conducted by economists between 1987 and 1992 to numerically evaluate the independence of the central banks of 12 to 20 countries in terms of personnel management, decision-making and other issues. The surveys ranked the BOJ third to 18th.

While the BOJ is highly independent of the government, it tends to follow the government when their financial policies differ, according to the surveys.

The BOJ officials said some assessors put too much emphasis on their subjective views in conducting the surveys.

Seven of the eight surveys found that the German central bank is the most independent.

The report is expected to affect recent debate on the possible revision of the BOJ law, analysts said.

Japan: Farm Lenders Give Up on Interest From 'Jusen' Firms

*OW0404102496 Tokyo KYODO in English
0837 GMT 4 Apr 96*

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Financial institutions for farmers have virtually given up the receipt of interest payments for January-March from seven moribund "jusen" housing loan companies, financial sources said Thursday [4 April].

Although Norinchukin Bank, prefectural credit federations of agricultural cooperatives (shinren) and other institutions have not formally declared that they have given up the receipt of interest payments, they consider it impossible to collect them from the failed companies, the sources said.

In late March, the seven housing loan companies said they will suspend interest payments totaling 60 billion yen to agricultural financial institutions for the first quarter of this year.

Norinchukin Bank officials said interest payments will depend on negotiations because the failed companies have suspended, rather than canceled, the payments.

Officials at the Agriculture, Forestry and Fisheries Ministry said the mortgage companies cannot afford to pay interest.

The absence of interest revenues is certain to further strain farm lenders' financial conditions. But Farm Ministry officials said they will maintain their original

projection of deficits for some 20 shinren organizations in fiscal 1995 that ended in March.

Japan: MOF Official on 'Jusen'-Related Irregularities

*OW0404125496 Tokyo KYODO in English
1223 GMT 4 Apr 96*

[FBIS Transcribed Text] Tokyo, April 4 KYODO — A senior Ministry of Finance (MOF) official Thursday [4 April] admitted that some banks introduced customers to "jusen" mortgage loan companies despite a strong likelihood those customers would become unable to repay borrowed money.

In a session of the House of Representatives Budget Committee on the bad-loan mess at seven troubled housing loan firms, Yoshimasa Nishimura, director general of the ministry's banking bureau, said lending deals brought by their founder banks included those highly exposed to possible default.

Under a government-brokered scheme, the mortgage loan companies, which are virtually bankrupt due to huge problem loans, will be liquidated with the help of 685 billion yen in taxpayers' money.

While pointing out the lending amount at the companies swelled to 13 trillion yen in 1991 from 5 trillion yen in 1986, Nishimura said they accepted loan deals from the founding banks without full screening.

The mortgage companies' screening capability did not catch up with the rapid growth of funds that they handled, he said.

An official at the Farm Ministry, meanwhile, told the lower house committee session that agricultural financial institutions sent letters to the ministry and the Finance Ministry calling for guaranteeing the repayment of principal of loans made to the mortgage companies.

The two ministries accepted the written requests on Feb. 16, 1993, said Hidetaka Tsutsumi, director general of the Economic Affairs Bureau of the Agriculture, Forestry and Fisheries Ministry.

The date was shortly after the ministries exchanged documents which stipulated agricultural institutions would not be asked to bear further financial burden to bail out the ailing mortgage companies.

Under the government scheme, the jusen companies will repay agricultural institutions all the principal of loans, while founding and other creditor banks are required to abandon a total of 5.2 trillion yen in loans to the mortgage companies.

In exchange for the step, agricultural lenders will donate 530 billion yen for the liquidation scheme.

Japan: MPT Studies Lifting Foreign Capital Telecommunications Cap

OW0404102296 Tokyo KYODO in English
0901 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — The Ministry of Posts and Telecommunications [MPT] is considering lifting the limitation on foreign capital for telecommunications companies operating in Japan, ministry officials said Thursday [4 April].

Following similar liberalization in the United States and the European Union (EU), the ministry plans to announce the move during telecommunications negotiations under the World Trade Organization (WTO), which are due to close by the end of April, the officials said.

At present, the ratio of foreign capital in companies which have their own telecommunications facilities and operate in Japan is restricted to less than one-third of their total capital.

The ministry expects the lifting of the restriction will facilitate the entry of foreign companies, in the form of capital participation and takeover, into such areas as telephone businesses via cable television networks, long distance telecommunications and portable phone services, the official said.

During the WTO talks, about 50 member countries have discussed the liberalization of international telecommunications.

The U.S. has expressed its policy of abolishing foreign capital limits for subsidiaries of foreign companies' U.S. branches, while the EU is moving toward liberalizing foreign capital after 1998.

The ministry, meanwhile, will keep the limitations on foreign capital in place for Nippon Telegraph and Telephone Corp. (NTT) and international telephone operator KDD, the officials said.

Currently, NTT and KDD are subject to a 20 percent ceiling on foreign equity holdings.

Japan: FY95 Imported Auto Sales Set Record for 3d Straight Year

OW0404044396 Tokyo KYODO in English
0426 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — Sales of imported motor vehicles in Japan increased 20.9 percent in fiscal 1995 to 402,608, hitting a record for

the third straight year, an industry group said Thursday [4 April].

The previous record was 332,952 registered in fiscal 1994.

Of the total, sales of passenger cars in the year to March 31 grew 23.6 percent to 378,571, while those of trucks fell 10.2 percent to 24,022, the Japan Automobile Importers Association said.

Sales of imported vehicles produced overseas by Japanese automakers during the last fiscal year rose 10.3 percent from the previous year to 107,448.

For March alone, sales of imported vehicles increased 13.8 percent to 51,342, a record for any month, and up from year-earlier levels for the 29th consecutive month.

Of the March total, sales of imported passenger cars grew 16.6 percent to 49,215, while those of imported trucks dropped 26.8 percent to 2,124.

Accumulated sales of imported vehicles for the first three months of 1996 totaled 108,416, up 15.4 percent from the year-before level, with passenger car sales rising 18.7 percent and truck sales down 26.7 percent.

March sales of imported vehicles produced overseas by Japanese automakers rose 4.0 percent from a year before to 13,580, bringing the total for the January-March period to 28,929, up 2.2 percent from a year earlier, the association said.

Japan: Fuji Film Announces Establishing Subsidiary in PRC

OW0404065096 Tokyo KYODO in English
0542 GMT 4 Apr 96

[FBIS Transcribed Text] Tokyo, April 4 KYODO — - Fuji Photo Film Co. said Thursday [4 April] it has established a wholly owned subsidiary in China to produce imaging equipment to meet rising demand for such products in the global market.

The subsidiary, Fujifilm Imaging System (Suzhou) Co., was set up in Suzhou, Jiangsu Province, with a capital of 29 million U.S. dollars, it said.

Japan's largest photosensitive material maker is also constructing a factory near the subsidiary with a monthly production capacity of 50,000 to 60,000 units of such products as cameras and electronic equipment to capture digital images from analog photographs, it said.

The new factory is scheduled to start partial operations at the end of June and commence full operations by July of next year, the company said.

Japan: Matsushita Establishes Microchip Firm in Indonesia

*OWD404100596 Tokyo KYODO in English
0910 GMT 4 Apr 96*

[FBIS Transcribed Text] Osaka, April 4 KYODO — Matsushita Electronics Corp. said Thursday [4 April] it has established a semiconductor manufacturing company in Indonesia, together with Matsushita Electric Industrial Co., the head company of the Matsushita Group.

The new company, P.T. Matsushita Semiconductor Indonesia, is located in Karawang International Industrial City, west Java Province.

It is capitalized at 60 million U.S. dollars, of which Matsushita Electronics invested 60 percent and the Gead Company the remainder. Both companies are based in Osaka.

The new company is scheduled to start operating next January, aiming to assemble some two million advanced microcontrollers and integrated circuits a month, Matsushita Electronics officials said.

The new company will become the group's largest overseas semiconductor assembly base in Asia by 2000, they added.

North Korea

DPRK: U.S. Paper Says ROK Politicians Avoiding Kim Yong-sam

*SK0404093696 Pyongyang KCNA in English
0930 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — The U.S. paper WASHINGTON POST March 31 carried an article dealing with the tendency of South Korean politicians to keep away from Kim Yong-sam.

With the April 11 "parliamentary elections" approaching, members of Kim Yong-sam's ruling party think that what is the best strategy to be chosen by themselves is to go away as far as possible from him, the paper noted.

Kim and his "New Korea Party" (NKP) have not been irrelevant to the largest political irregularities ever in history of South Korea, it said, adding: It seems to be almost certain that the "NKP" will not win majority seats in the "elections".

The result of the "general elections" might exert a great influence on next year's "presidential elections", the paper held.

Kim Yong-sam's support to the "presidential" candidate of "NKP", it contended, will become impotent because of the public criticism for his involvement in the irregularities of the ex-"presidents".

South Koreans hold that three Kims (Kim Yong-sam, Kim Tae-chung and Kim Chong-pil) should withdraw from political circles as soon as possible and that a new group of younger generation come forward in political circles, the paper said.

DPRK Paper Urges U.S. To Stop Military Threats

*962C0041B Pyongyang NODONG SINMUN
in Korean 27 Jan 96 p 6*

[Article by Paek Mun-kyu: "The United States Should Abandon Its Policy Based on the Position of Strength Toward the DPRK"]

[FBIS Translated Text] The great leader Comrade Kim Il-song taught as follows: "The reactionary nature of imperialism as a force going against the tide of the new age is manifesting itself all the more clearly today"

Beginning with the New Year, the United States has been promoting tension on the Korean Peninsula. The bellicose elements in the United States are making ominous military moves concentrating aircraft carriers and other weapons of aggression in and around South Korea in a big way.

On the heels of the 20 January large-scale joint naval exercise staged by U.S. and South Korean puppet forces in the western waters off South Korea, the curtain rose on a joint U.S.-Japan command post exercise at a U.S. military base in Japan on 25 January, with 7,700 Japanese "Self-Defense Force" personnel participating in addition to U.S. troops.

On top of this, the United States has decided to deploy an additional regiment-size U.S. infantry unit to South Korea.

As a result, in Korea, unlike anywhere else in the world, a danger of war greatly increased from the outset of the New Year.

The adventurous U.S. military maneuvers being carried out by using the so-called military threats from the North as an excuse, are causing anxiety not only to our people, but also to the people of the world who want peace.

The machinations of military threat and blackmail the United States has been intensifying against us since the beginning of the New Year are an indication that the United States has not yet abandoned its foolish design to try to exterminate us by force.

It may be said that shortly after the Cold War ended, the United States launched intensive military and political maneuvers in various parts of the world and succeeded in seizing control of some points of strategic importance.

For instance, through military operations in the Gulf region and the Balkans, the United States paved the way for bringing these areas under its control. In addition, it has deeply intervened in the Middle East question, pulling the strings behind the scenes. It seems that under these circumstances, the United States has calculated that the time is ripe to launch its pre-contrived strategy against the DPRK. In other words, the United States is gearing up to launch full-scale maneuvers aimed at exterminating us by force. After the structure of East-West confrontation crumbled, the United States succeeded to a certain degree to gain control of the Gulf, Balkan, and Middle East regions—the areas used to be the bones of contention in the scramble for rights and interests between the super powers. On the basis of this success, the United States thinks that the time is ripe for it to concentrate its military forces against our republic.

It is a ploy to justify its military adventure that the United States is raving about the "instability" in Northeast Asia and the "military threats of the North."

The bellicose forces in the United States and its followers, not we, are to blame for the current uneasy situation on the Korean Peninsula.

It is a cherished desire of our people to achieve peace on the Korean Peninsula.

We have made realistic proposals for peace on the Korean Peninsula in the past and are making every effort to bring them into reality. But, the United States keeps walking on the road to war, turning a blind eye to our peace efforts and arbitrarily aggravating tension on the Korean Peninsula.

The ringleader keying up tension on the Korean Peninsula is none other than the United States.

The United States has made systematic preparations to launch military adventures against us.

In South Korea, the United States staged frantic war exercises against us while continuing to beef up its aggressive forces in South Korea. It is a well known fact that since 1976 the United States has conducted frenzied "Team Spirit" war exercises each year, stirring up the war atmosphere on the Korean Peninsula.

A series of signs of relaxation have appeared in many areas since the Cold War ended. But only in Korea has the United States been rushing in the direction of fanning confrontation rather than easing tension.

Currently, approximately 100,000 U.S. troops are stationed in South Korea and Japan.

The primary target of the U.S. troops stationed in and around South Korea is our republic. As evident from the

Korean war scenario drawn up by the United States after the Cold War ended, the United States is dreaming of quickly winding up a Korean war, once it is started, by using its troops deployed in and around South Korea as the main force, and throwing its rapid deployment force from the American Continent into the war in addition.

It is because it has an evil design to exterminate the DPRK that the United States has systemically opposed our realistic proposals for peace on the Korean Peninsula.

Because of this design, the United States is also opposing our proposal for establishing a new safeguard mechanism for peace.

We and the United States are still in a state of war. The armistice agreement should be replaced by a peace agreement in order to put an end to the state of war once and for all and secure a lasting peace on the Korean Peninsula.

An armistice agreement is only an agreement to suspend hostilities temporarily and not intended for peace. Unless the present armistice agreement is replaced by a peace agreement, there can be no peace on the Korean Peninsula. To make matters worse, the armistice supervisory mechanism no longer exists because of systematic U.S. subversive machinations. Under these circumstances, no one can assure that war will not break out in Korea.

If and when a peace agreement is signed between us and the United States, the hostile relationship between the two countries will come to an end, paving the way for detente and peace on the Korean Peninsula. Nevertheless the United States is looking away from our proposal for establishing a mechanism of safeguards for peace, and resorting to all kinds of ploys to keep the out-dated state of armistice in tact. The United States is refusing to accept our proposal for establishing a peace mechanism because it has no interest in peace on the Korean Peninsula except for an attempt to destroy us.

No matter how you may view it, it is evident that the U.S. goal is to destroy us by force. The United States is now attempting to realize this evil design.

The dangerous impact of the scheme of U.S. military adventures is not only being felt on the Korean Peninsula.

Today, the United States is clamoring not only about what they call "military threats" from us but also about "threats" from some other countries. The post-Cold War U.S. military strategy was to begin by seizing one country first and following it up with military intervention in another region using a new pretext. In

view of this strategy, one can easily understand that the U.S. maneuvers to exterminate our republic is a prelude to military intervention in Asia that will follow in the next step.

Should war break out on the Korean Peninsula, it could easily spread not only to Northeast Asia but also to the rest of the Asia-Pacific region. That is why people in Asia are expressing their anxiety about the racket of U.S. military adventures on the Korean Peninsula and strongly demanding that the United States immediately stops its military moves. If the bellicose stratum in the United States should continue on the reckless course of aggravating tension in and around the Korean Peninsula, it would not only cast dark clouds over a smooth implementation of the DPRK-U.S. basic agreement but also bestir our people and the people's army personnel—who regard the dignity and sovereign rights of their fatherland to be as precious as their own lives—bringing about irreversible consequences in its train.

The United State should not make the mistake of viewing our peace-loving efforts as a sign of vulnerability, but give up its policy based on the position of strength toward the DPRK by looking squarely at the situation.

DPRK: KPA Panmunjom Mission Issues Statement on Defense in DMZ

*SK0404072296 Pyongyang KCNA in English
0709 GMT 4 Apr 96*

["Statement of KPA Panmunjom Mission Spokesman"
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A spokesman for the Panmunjom Mission of the Korean People's Army (KPA) released a statement today in connection with self-defensive measures to be taken by the KPA side now that the status of the Demilitarized Zone (DMZ) can no longer be maintained.

The statement says:

The first vice minister of the People's Armed Forces, in his March 29 statement, made clear that the KPA would take legitimate self-defensive steps to cope with ill-boding military moves which had become frequent in areas South of the Military Demarcation Line (MDL), reminding one of the situation on the brink of war.

We put forward reasonable proposals long ago to turn DMZ into a peace zone, a buffer zone and prevent a war in the Korean peninsula, and have exerted patient efforts to put them into effect.

However, the South Korean authorities have persistently rejected our proposals and driven the situation to the

brink of war under the protection of their master, the United States, so that we can no longer expect a negotiated solution.

The armistice agreement stipulates that heavy and automatic weapons shall not be brought into DMZ and in no case shall the total number of military personnel from each side who are permitted to enter DMZ exceed one thousand. But the South Korean military authorities, ignoring the agreement, have brought many tanks, various kinds of artillery pieces and heavy weapons into DMZ and deployed a large number of armed military personnel.

They have even openly built large military facilities at the oryonggye post in DMZ only 100 metres from MDL.

Areas south of MDL have been left without the real meaning of a buffer zone and DMZ established under the armistice agreement has turned into an armed zone and a new attack position for the invasion of the north.

This situation has made us no longer unilaterally observe articles of the armistice agreement concerning DMZ.

There is a limit to our restraint and patience.

The Panmunjom mission of the KPA is authorized to announce that following immediate self-defensive measures will be taken now that the status of DMZ cannot be maintained any longer:

Firstly, the KPA side shall give up its duty, under the armistice agreement, concerning the maintenance and control of the Military Demarcation Line and DMZ.

Secondly, the KPA side shall, as a follow-up step to the first measure, have its personnel and vehicles bear no distinctive insignia and marking when they enter the joint security area of Panmunjom and DMZ.

The responsibility for the measures we cannot but take lies with those who have flagrantly violated the armistice agreement and the order in DMZ.

DPRK: KPA Spokesman's Statement on DMZ

*SK0404091096 Pyongyang Korean Central
Broadcasting Network in Korean 0800 GMT 4 Apr 96*

[Statement issued by a spokesman for the Panmunjom Mission of the Korean People's Army in Kaesong on 4 April — read by announcer]

[FBIS Translated Text] We will carry the statement issued by a spokesman for the Panmunjom Mission of the Korean People's Army [KPA].

The statement issued by the spokesman for the Panmunjom Mission of the KPA:

Through the 29 March statement issued by the first vice minister of the People's Armed Forces, our People's Army revealed its stance that it will take legitimate self-defensive steps to counter the ill-boding military movements, steps that can only be seen on the eve of war and which are being extensively perpetrated on the South's side of the Military Demarcation Line [MDL] [uri inmingundaega kunsabungyeson namchogeso chonjaeng chonyaeman polsuinnun simsangchianun kunsajok umjigimduri chipchungjoguro natanago innunde taechohayo undanghan chawijog chochwidurul chwhage toelgosiranun ipchangul palkyota].

Since long ago, we have raised reasonable proposals on preventing a war on the Korean peninsula, including the issue of turning the Demilitarized Zone [DMZ] into a peace zone as well as a buffer zone [urinun orejonbuto pimujang chidaerul pyonghwajidaero wanchungjidaero chonhwansikiltaedaehan munjerul pirothayo chosonbandoeso chonjaengul pangjihagi wihan hamnijogin cheanul naenotko]. In order to realize these proposals, we have made every patient effort [ku siryonul wihae innaesong innun noryogul tahayota].

However, the South Korean authorities have persistently opposed [hansako pandaehago] our proposals under the aegis of the United States, their master, and have pulled the trigger for a northward invasion [pukchim kyokpalgirul tanggimuroso]. By doing so, they forced us to no longer pin our hopes on resolving the issue through dialogue [tachwarul tonghan munje haegyore toisang kidaerul kajilsu opke hayota].

Ignoring the requirements of the Armistice Agreement, which bans the introduction of heavy and automatic weapons into the DMZ and the entrance of military personnel that number more than one thousand, the South Korean authorities have massively brought many tanks, various kinds of artillery pieces, and heavy weapons into the DMZ, and have deployed a large number of armed military personnel.

The reckless maneuvers of the South Korean puppets went so far as to openly build large military facilities [taegyumo kunsasisolmurul konggaejoguro kuchukhago innun] at the Oryonggye Post in the DMZ, only 100 meters from the MDL.

The southern area of the DMZ has now completely failed to fulfill its own duties as a buffer zone; the MDL and the DMZ, which were established under the Armistice Agreement, have become an armed zone and a new attack position for northward invasion [chigum pimujang chidaerul namchuk chiyogun wanchung chidaerosoui chagiui koyuhan uimurul wanjonhui sangsirhayossumyo choagjon hyopchonge ttara solchongdoen kunsabungyeson pimujang chidaenun

pukchimul wihan mujang chidaero hanau konggyok chulbal chidaero chonbyon toetota]. Because of this situation, we are no longer able to unilaterally observe the articles stipulated by the Armistice Agreement concerning the DMZ [irohan chongseeso urido chongjon hyopchonge kyujedoego innun kunsabungyeson pimujang chidaewa kwallyonhan chohangul ilbangjoguro toisang chunsuhalsu opke toetota]. There is a limit to our restraint and patience.

The Panmunjom Mission of the KPA is authorized to announce that the following immediate self-defensive measures will be taken under the situation in which the status of the DMZ can no longer be maintained [pimujang chidaerul chiwirul yujihalsu opkedoen sanghwange ttarunun chawijok chochirul tangmyonhayo taumgwa kachi chwhadorok hayotta]:

First, the KPA will give up its duties under the Armistice Agreement concerning the maintenance and management of the MDL and the DMZ [chongjon hyopchonge uihayo chinin kunsabungyesongwa pimujan chidaerul yuji mit kwalliwa kwallyonhan chagiui immurul pogihanda].

Second, as a follow-up step to its abandonment of the duties stated above, the KPA will have our side's personnel and vehicles bear no regulated distinctive insignia and markings when they enter and leave the joint security area of Panmunjom and the DMZ [sanggi immurul pogihanunde ttarunun chochiroso panmunjom kongdong kyongbi guyokkwa pimujang chidaerul chiriphanun urichuk inwongwa charyangdullo hayogum chejongdoen modun sikpyol pyosigul chagyonghaji antorok halgosida].

Those who have put the order of behavior in the DMZ into a lawless world while violently infringing upon the Armistice Agreement will be held responsible for the measures we cannot but take [uriga irohan chochirul chwhiji anulsu opkehan chaegimun chongjon hyopchongul napokhage urinhamyonso pimujang chidaesoui heangdong chilsorul mubop chonjiro mandun chaduri chigedoel kosida].

[Date] 4 April 1996

[Place] Kaesong

DPRK: KPA Spokesman Warns of 'Self-Defensive Measures' in DMZ

*SK0404071496 Pyongyang KCNA in English
0703 GMT 4 Apr 96*

[KPA Panmunjom Mission Spokesman on Self-Defensive Measures in DMZ — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A spokesman for the Panmunjom Mission of the Korean People's Army (KPA) released a statement today in connection with self-defensive measures to be taken by the KPA side now that the status of the Demilitarized Zone (DMZ) can no longer be maintained.

The spokesman made public following immediate measures:

Firstly, the KPA side shall give up its duty, under the armistice agreement, concerning the maintenance and control of the Military Demarcation Line and DMZ.

Secondly, the KPA side shall, as a follow-up step to the first measure, have its personnel and vehicles bear no distinctive insignia and marking when they enter the joint security area of Panmunjom and DMZ.

The responsibility for the measures we cannot but take lies with those who have flagrantly violated the armistice agreement and the order in DMZ.

DPRK: NODONG SINMUN Decries ROK's Heavy-Water Reactor Development

*SK0404040696 Pyongyang KCNA in English
0344 GMT 4 Apr 96*

[S. Korean Puppets' Nuclear Weapon Development Under Fire — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Should the Kim Yong-sam group ignore the North's warnings and reinforce heavy-water reactors, persisting in nuclear frenzy, it will be held wholly responsible for all consequences arising therefrom, warns NODONG SINMUN in a commentary today.

The commentary describes the puppets' accelerated efforts for developing heavy-water reactors, directly connected with development of nuclear weapons, as nothing but "madness for nuclear weapons."

Branding the Kim Yong-sam group's move to develop heavy-water reactors as a never-to-be-condoned crime against the nation, peace and reunification, motivated by wicked attempt to fight the North to the last and shower nuclear holocaust on the head of the nation on any account, in collusion with outside forces, the author of the commentary vehemently denounces it, and continues:

Crying for "establishment of international cooperation system" over the alleged North's "suspected nuclear development," Kim Yong-sam's war-thirsty group have rolled up sleeves as a shock-brigade in a nuclear row kicked up by outside forces in a bid to slander and stifle the fellow countrymen and are laying a new hurdle in settlement of nuclear issue and improvement of the inter-Korean relations by putting spurs on development of nuclear weapons. Such a crime is intolerable.

We are watching with high vigilance the danger-ridden move of Kim Yong-sam's war-thirsty group to develop nuclear weapons aimed at the North after completing the preparations for war against the North.

The Kim Yong-sam group should ponder over the irrevocable grave consequences to be entailed by their criminal move of developing heavy-water reactors and should suspend it at once.

DPRK: SKNDF Releases Statement on 10-Point Program of Unity

*SK0304122996 Pyongyang KCNA in English
1004 GMT 3 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — Yi Chong-sang, chief of the Pyongyang Mission of the National Democratic Front of South Korea (NDFSK) [SKNDF], released a statement upon the lapse of three years since the great leader President Kim Il-song published "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" in April 1993.

The programme indicates a correct way of achieving national reconciliation, unity, reunification and prosperity, he said, and continued:

The South Korean people have expanded and intensified the all-people movement for the country's reunification in teeth of harsh suppression by the Kim Yong-sam "civilian" fascist clique. Their spirit of the struggle for independence, democracy and reunification is based on the programme.

The Kim Yong-sam group must clearly see the trend of the time, promptly abolish the anti-national, anti-reunification "National Security Law" and release the arrested patriotic-minded champions of reunification. They must also discontinue seeking confrontation with the North and unattainable "unification by prevailing over communism" and step down at once.

DPRK: SKNDF Commentary Denounces Kim Yong-sam 'Fascist Clique'

*SK0404041296 Pyongyang KCNA in English
0332 GMT 4 Apr 96*

[“Release of Coeds Called For” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — The spokesman for the National Democratic Front of South Korea [SKNDF] issued a commentary on April 1 denouncing the Kim Yong-sam fascist clique for their brutal suppression in passing prison terms on coeds Chong Min-chu and Yi Hye-chong, “birds of hope for reunification”, according to Seoul-based radio Voice of National Salvation.

By imposing heavy penalties upon the “birds of hope for reunification” highly praised by the nation the Kim Yong-sam fascist group flied in the face of all the fellow countrymen desirous of inter-Korean reconciliation and reunification, the commentary says, and continues:

Their brutal suppression is a last-ditch effort of those facing destruction.

The Kim Yong-sam fascist group should clearly see the indignation of one million students and all the fellow countrymen, immediately withdraw the penalties imposed upon the coeds, set them free unconditionally, scrap the “National Security Law” and step down at once.

DPRK: Kim Il-song Youth League Issues Anti-Kim Yong-sam Statement

*SK0404035996 Pyongyang KCNA in English
0328 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A spokesman for the Central Committee of the Kim Il-song Socialist Youth League in a statement April 3 bitterly condemned the Kim Yong-sam group for their brutal suppression of workers for the right to existence and democratic freedom, in the name of all the youth and students in the northern half of Korea.

The spokesman further said:

Of late workers in different regions, of various organisations and at different enterprises have turned out in a powerful mass struggle. Their struggle was an eruption of their pent-up resentment and wrath against the Kim Yong-sam group, who are trying to prolong their dirty office by bleeding them white. The Kim Yong-sam group are repressing the workers’ struggle for the right to existence by invoking the notorious “National Security Law” and the fascist “law on labour unions”. And they are brutally cracking down upon the labour organisations calling for independence, democracy and

reunification, labelling them as “enemy-benefiting organisations”.

Realities show that with the treacherous politics of the Kim Yong-sam group left intact the South Korean workers cannot free themselves from misfortunes and pains nor can independence, democracy and reunification, the South Korean people’s earnest desire, be realised.

We express the conviction that with the “general election” as an occasion the South Korean workers will achieve a firmer unity and terminate the fascist rule of the Kim Yong-sam group against the people and nation through their stubborn struggle and get the right to existence and democratic freedom without fail.

DPRK Daily Praises Proposal for Confederation as ‘Realistic’

*SK0404101396 Pyongyang KCNA in English
0941 GMT 4 Apr 96*

[“Realistic Proposal for Accelerating Confederation-Based Reunification” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — The proposal on making this year a “year of peace and great national unity” with united efforts of the North, South and overseas, which was adopted at the joint meeting of political parties and organizations of the northern half of Korea, is a most realistic and just one that helps accelerate the reunification through confederacy, the reunification method common to the nation, notes NODONG SINMUN in an article today.

If all Koreans in the North, South and overseas make concerted efforts to hasten, on the strength of great national unity, the country’s reunification through confederation, which denies both “communization” and “prevailing over communism”, in response to the appeal of the joint meeting, there is no doubt that a new phase of peace and peaceful reunification of the country will be opened.

Describing the reunification through the method of confederation, advanced by the great leader Comrade Kim Il-song, as a unique method that makes it possible to realize national reunification, desired so earnestly by the Korean nation, in a peaceful way, the article says:

It is because that, under the condition in which different ideologies and systems exist in the North and South, only the confederation formula makes it possible to realize the national reunification at an earliest date in an independent and peaceful way on the principle of co-existence with neither side conquering the other.

When a unified state based on confederation, which is independent, peaceful and neutral, is built on the Korean

peninsula, apprehensions over the invasion of the North and the "invasion of the South" will be eliminated and a firm institutional precondition for ensuring peace on the Korean peninsula will be arranged.

Therefore, the North-proposed confederation formula is a most aboveboard method for reunification which ensures successful reunification of the country averting fight between the North and the South and is not harmful to any side.

It is not for the interests of any particular stratum or class that the Korean nation desire the country's reunification so earnestly. It is utterly for realizing independence of the whole nation, attaining common prosperity and development of the nation and for making the entire Korean people enjoy happiness in a unified country.

Therefore, it is natural that the entire Koreans get firmly united as one and struggle for national reunification transcending political views, religious belief and isms.

It is an of-course obligation for all people, earnestly desirous of national reunification, to join in the nationwide effort for great national unity and devote themselves to accomplishing the cause of reunification.

DPRK: ROK Radio Cited on Demands for Probe Into Student's Death

*SK0204090596 Pyongyang KCNA in English
0841 GMT 2 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 2 (KCNA) — The measure committee on death of No Su-sok called a press conference on April 1, at which it held that the death of the student No Su-sok was directly caused by suppressive atrocities of the police, not by the heart attack alleged by the Kim Yong-sam group, a Seoul-based radio said.

The committee stated that it would continue the activities for probe into the truth behind the death of the student and hold talks with the puppet prime minister, in protest against the police's crackdown.

And, that same day, the Seoul District Federation of University Student Councils (Sochongnyon) called a press conference, at which it adopted a resolution protesting the impudent behavior of the puppet clique that defined the cause of No's death as a heart attack.

The resolution called for an open apology of the traitor Kim Yong-sam, resignation of the "Minister of Home Affairs" and the "Minister of Education" and for the legal action against the director of the national police office as well as the chief of the riot police, who was on the spot to quell the demonstration.

Sochongnyon made a decision to hold a large-scale anti-"government" rally on April 3, in solidarity with the South Korean Federation of University Student Councils and boycott the school on April 9-10 in demand of the resignation of the present regime.

Meanwhile, some 500 students of Yonsei University held a memorial service and carried on a street demonstration that day.

DPRK Paper Blames Kim Yong-sam Group for Student's Murder

*SK0304044496 Pyongyang KCNA in English
0412 GMT 3 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — The Kim Yong-sam group's allegation that the cause of No Su-sok's death was "acquired acute heart failure" is a deceptive advertisement for covering up their brutal murder and fooling the people, says MINJU CHOSON today.

In a commentary the daily says the innocent student was bruised to death by riot police, so their allegation is a shameless lie.

The Kim Yong-sam group, who killed the student, committed one more crime by fabricating the cause of his death, it says, adding:

The South Korean students and people will not allow his death to have been in vain and struggle more valiantly against the Kim Yong-sam group, answering "violence with violence" and "sword with sword."

DPRK: ROK Students Protest 'Murder' of No Su-sok

*SK0404042896 Pyongyang KCNA in English
0354 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Some 10,000 South Korean students affiliated with the Seoul district Federation of University Student Councils staged a demonstration on Wednesday in protest against the brutal murder of a student, No Su-sok, by the Kim Yong-sam fascist clique, a Seoul-based radio reported.

The demonstrators shouted "Punish Kim Yong-sam" and "Overthrow the Kim Yong-sam violent regime," blaming the puppet clique for the murder. They claimed that the student was killed by riot police.

They declared that they would participate in No's funeral and stage a large-scale protest.

**DPRK: South Korean 'Gangsterism' in Vietnam
Denounced**

*SKD404112796 Pyongyang KCNA in English
1002 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Recently, a South Korean "expert" working in Vietnam brutally beat a local worker, drawing a worldwide criticism.

When the Vietnamese General Federation of Trade Unions lodged a protest with the South Korean puppet embassy against the incident, the embassy said it was an "incident related to an individual, an incident of the nature of social life" and, on the contrary, accused it of interfering in the incident.

Just after the incident, another South Korean throttled a local woman so severely that she needed first aid.

Such gangsterism by South Koreans in other countries cannot be construed to be a casual act by some gangsters.

It mirrors the situation of South Korean society, a graveyard of human rights, and is an inevitable aftermath of the traitor Kim Yong-sam's inhuman and anti-ethic policies.

On March 29, the Kim Yong-sam fascist clique mobilized riot police to harshly suppress a demonstration of students in Seoul against their crimes, in which a student named No Su-sok was beaten to death.

Kim Yong-sam's is really a murderous regime, fascist dictatorial regime.

It is clear that with the traitor Kim remaining in power, it is impossible to eradicate such brutalities by South Korean puppets in other countries and keep gangsterism from getting worse.

The Vietnamese people will keep tab on the South Korean puppets' gangsterism.

**DPRK Delegation Issues Statement on Japan's
'Past Crimes'**

*SKD404055996 Pyongyang KCNA in English
0536 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A delegation of the Democratic People's Republic of Korea to the 52nd meeting of the U.N. Commission on Human Rights issued a statement in Geneva on April 2.

The statement came after Japan submitted to the meeting documents refuting the report of the U.N. special rapporteur on the "comfort women for the Japanese Army" issue.

The statement said:

In the course of circulating two documents during the meeting, the Japanese Government fully revealed the intrinsic nature of Japan, which has no intention to honestly admit its past crimes and make a new start but resorts to every conceivable lie, deception and trick to conceal the crimes.

The delegation of the DPRK resolutely rejects the two criminal documents, branding the behavior of the Japanese Government as a new crime of harshly violating again the human rights of 200,000 "comfort women" and tens of millions of other victims and as an open challenge to the effort of the world community to establish a fair international order.

The DPRK underwent immeasurable sufferings such as the "comfort women" issue, the forcible drafting of six million people and the massacre of a million people for a longer time than anyone else and is still experiencing lots of misfortunes and sufferings from the national discrimination against Koreans in Japan and Japan's hostile policy obstructive to the reunification of the Korean peninsula. The DPRK resolutely rejects Japan's call for "settling the issues" through the "San Francisco Peace Treaty" and bilateral agreement.

Japan tries to exercise a stronger influence commensurate with an "economic power" in the international political arena. It dreams of becoming a permanent member of the U.N. Security Council.

It is absurd of Japan, which is unwilling and unable to honestly settle the "comfort women" issue caused by its past imperial government, to seek to be a permanent member of the U.N. Security Council, which deals with world peace and security, the most vital issue.

Japan must know that the Asian countries and the world community that cherish peace and justice apprehend that Japan may inflict colossal misfortunes on humanity as it did in the past unless Japan completely atones for its past crimes including the "comfort women" issue.

The DPRK delegation strongly demands that the Japanese Government immediately withdraw the documents it circulated at the meeting of the U.N. Commission on Human Rights and cooperate in the efforts of the world community to help liquidate Japan's past, before it is too late.

DPRK: Committee Accuses Japan of Trying To Justify WWII Crimes

*SK0404103096 Pyongyang KCNA in English
0959 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A spokesman for the Committee of the Democratic People's Republic of Korea for Investigation Into Damage by the Japanese Imperialists' Occupation of Korea released a statement today accusing the Japanese Government of trying to justify Japan's crime concerning "comfort women for the army" issue.

The statement says:

Recently, the Japanese Government submitted "the Japanese Government's view on the report by a special rapporteur on violence against women" at the 52nd session of the United Nations Commission on Human Rights now underway in Geneva.

In the document aimed at justifying Japan's crime concerning the "comfort women" issue, the Japanese Government claimed that the crime is not a violation of international law so that the government cannot take legal responsibility for searching, prosecution and punishment of criminals.

Yet worse, the Japanese Government arrogantly took the issue with the report by the special rapporteur appointed by the United Nations.

Such a position and attitude of the Japanese Government, which has refused to repent of Japan's history, can never be tolerated by our people, who experienced the biggest losses and damage by Japan.

Japan's crimes against Korea are not confined to the "comfort women" issue. By Japan, a Korean queen was killed, royal tombs unearthed, six million people drafted and one million people slaughtered. What the Japanese imperialists perpetrated against the Korean people is immeasurable and all of them are crimes of the blackest dye, unprecedented in human history.

The crime against the "comfort women" is only part of the their shocking crimes.

Though half a century has passed since the end of World War II, the Japanese Government is still trying to legalize and justify the crimes, instead of apologizing and compensating for them. For such a foolish attempt, it will invite bitterer hatred from the Korean and other Asian peoples with deep-seated resentment against the Japanese imperialists, and cannot escape from world-wide denunciation.

The Committee for the Investigation Into Damage by the Japanese Imperialists' Occupation of Korea scathingly

denounces the Japanese Government's latest move as an unacceptable insult and a shameless challenge to the Korean and other Asian peoples and to all the humanity. We will continue our just struggle until Japan makes an honest apology and compensation for the indelible crimes the Japanese imperialists committed against the Korean people.

DPRK: Women's Group Demands Compensation for 'Comfort Women'

*SK0404113496 Pyongyang KCNA in English
0944 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — The fourth solidarity meeting of the Asian women reportedly adopted a resolution strongly urging the Japanese Government to make a sincere apology and compensation to the "comfort women for the Japanese Army". The meeting was held in Manila some time ago.

The resolution denounced the Japanese Government for trying to hush up the "comfort women" issue on the plea of compensating through what it calls a "private fund", and called for a legal compensation to the survivals.

The document added: "If Japan does not meet our demands, we women will wage an international campaign to boycott Japanese goods."

DPRK: Chinese Cultural Delegation Arrives 3 Apr

*SK0304123696 Pyongyang KCNA in English
1018 GMT 3 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — A government cultural delegation of China led by Li Yuanchao, vice-minister of culture, arrived here today.

The delegation was greeted at the airport by Kim Yong-sin, vice-minister of Culture and Art, and Qiao Zonghuai, Chinese ambassador to Korea.

DPRK: Delegations from PRC, SRV, Cambodia Visit Mansu Hill

*SK0404040996 Pyongyang KCNA in English
0329 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — The government cultural delegation China headed by Vice-Minister of Culture Li Yuanchao, the Chinese art troupe and acrobatic group, the Cambodian art troupe and the Vietnamese acrobatic group to participate in the 14th April spring friendship art festival visited the statue of the great leader President Kim Il-song standing on Mansu Hill and paid homage to him on Wednesday.

They laid bouquets of flowers before the statue and made bows.

DPRK: Chang Chol Meets PRC Government Cultural Delegation

*SK0404103996 Pyongyang KCNA in English
1010 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Chang Chol, vice-premier and minister of culture and art, met and had a friendly talk with the government cultural delegation of China led by Li Yuanchao, vice-minister of culture, at the Mansudae Assembly Hall today.

Present were Kim Yong-sin, vice-minister of culture and art, and Qiao Zonghuai, Chinese ambassador to Korea.

The head of the delegation said that the two countries, China and the DPRK, are neighbours with mountains and rivers in between and that the friendship between China and Korea forged by old revolutionaries, Chairman Mao Zedong, Premier Zhou Enlai, Comrade Deng Xiaoping and President Kim Il-song, the great leader of the Korean people, will continue developing.

He noted that the delegation's participating in the festival is a clear expression of yearning after President Kim Il-song.

He expressed the belief that the Korean people will achieve greater success in the socialist construction in the spirit of self-reliance and hard work under the leadership of the great Comrade Kim Chong-il.

Referring to good cooperation in cultural exchange between the two countries, he hoped that it would continue to develop under the concern of the two parties.

DPRK: Kim Il-song Belarus-DPRK Fellowship Society Inaugurated

*SK0404092996 Pyongyang KCNA in English
0922 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — An inaugural meeting of the Kim Il-song National Belarus-DPRK Fellowship Society was held at the Minsk Youth League Hall of Belarus.

At the meeting the great leader Comrade Kim Chong-il was elected honorary chairman of the society.

The leadership body of the society was elected and rules were adopted.

Secretary of the Central Committee of the Communists Party of Belarus Victor Chikin was elected chairman of the society and Secretary of the All-Union Communist Party of Bolsheviks and Chairman of the Belarussian Regional Party Committee L.A. Pavlovich [spelling of names as received] secretary general of the society.

DPRK: Yang Hyong-sop Attends Reception for Yugoslav Delegation

*SK0304043296 Pyongyang KCNA in English
0410 GMT 3 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — The standing committee of the Supreme People's Assembly (SPA) of the Democratic People's Republic of Korea hosted a reception for the delegation of the federal assembly of Yugoslavia led by speaker of its chamber of citizens Radoman Bozovic at the Mansudae Assembly Hall on April 2.

Present there were chairman Yang Hyong-sop and vice-chairperson Yo Yon-Ku of the SPA and officials concerned.

Yang Hyong-sop and Radoman Bozovic made speeches at the reception.

DPRK: SPA, Yugoslav Federal Assembly Delegations Hold Talks

*SK0404113196 Pyongyang KCNA in English
1005 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Talks were held at the Mansudae Assembly Hall today between the delegations of the Supreme People's Assembly (SPA) of Korea and the Federal Assembly of Yugoslavia.

Attending the talks on the Korean side were Chairman Yang Hyong-sop and vice-chairperson Yo Yon-Ku of the SPA, Secretary General of the SPA Standing Committee Yi Mong-ho, Deputy to the SPA Paek Nam-chun, director of the Secretariat of the C.C. [Central Committee], the Democratic Front for the Reunification of the Fatherland, and other officials concerned.

Present on the opposite side were the members of the delegation of the Federal Assembly of Yugoslavia led by Speaker of its Chamber of Citizens Radoman Bozovic [spelling of name as received] and Yugoslav Ambassador to Korea Ljubomir Ojukic.

At the talks, both sides discussed the matter of developing friendly relations between the parliaments and peoples of the two countries and a series of matters of mutual concern.

DPRK: Kim Yong-nam Meets Yugoslav Federal Assembly Delegation

*SK0404120996 Pyongyang KCNA in English
1005 GMT 4 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — Vice-Premier and Foreign Minister Kim Yong-nam

met and had a friendly talk with the visiting delegation of the Federal Assembly of Yugoslavia led by Speaker of its Chamber of Citizens Radoman Bozovic [spelling of name as received] at the Mansudae Assembly Hall today.

DPRK: Kim Yong-nam Attends Reception by Libyan Acting Secretary

SK0304050096 Pyongyang KCNA in English
0408 GMT 3 Apr 96

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — Ramadan Muhammad el Laubi, acting secretary of the People's Committee of the People's Bureau of Libya in Korea, hosted a reception on Tuesday on the threshold of the April 15 holiday.

Addressing the reception, the acting secretary said April 15, the birth anniversary of the great leader Comrade Kim Il-song, is a significant day marking his undying feats and he will be alive forever in the hearts of the people over the world.

"The friendly relations between the two countries have been further consolidated and developed thanks to the great leader Comrade Kim Chong-il," he said, adding that "the revolutionary stand of the Korean people confronting imperialism is encouraging us."

Vice-premier and Foreign Minister Kim Yong-nam, Politburo member of the Workers' Party of Korea Central Committee, said in his speech that the Korean people highly praise the Libyan people for the big achievements they have scored in their endeavours to build a new society, independent and prosperous, smashing all sorts of challenges of the imperialists, under the correct leadership of the leader of the great September first revolution, Col. Mu'ammarr al-Qadhafi, and sincerely wish them bigger stride forward in the future.

"We will, in the future, too, as in the past, do our best to further expand and develop the relations of friendship and cooperation between Korea and Libya which were arranged personally by the great leader Comrade Kim Il-song and His Excellency Col. Mu'ammarr al-Qadhafi, leader of the great September first revolution, and developed in strength in joint struggle for independence against imperialism," he said.

DPRK, Pakistan Sign Cultural Exchange Agreement 4 Apr

SK0404113696 Pyongyang KCNA in English
1007 GMT 4 Apr 96

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A plan for cultural exchange (1996-1998) between the government of the Democratic People's Republic of

Korea and the government of Pakistan was signed here today.

The plan was signed by Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries, and Rehmdil Bhatti [spelling of name as received], Pakistani ambassador to Korea.

DPRK: Committee Formed in Bangladesh in Memory of Kim Il-song

SK0404040096 Pyongyang KCNA in English
0323 GMT 4 Apr 96

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A national committee to remember the great leader Comrade Kim Il-song was formed in Dhaka, Bangladesh, on March 24.

The national committee consists of Amal Sen, chairman of the Central Committee of the Workers' Party of Bangladesh, and Nuran Nabile, secretary general of the Bangladesh-Korea Friendship Association, and 19 other prominent figures.

The committee set a memorial period from April 15 to July 8 and the committee plans to organize a ceremony of laying a floral basket before the portrait of President Kim Il-song, a memorial meeting, a seminar, a photo exhibition, a film show and other functions.

The committee issued an appeal to the progressive parties, the social organizations and the revolutionary people of the world.

The appeal called for setting a memorial period from April 15 to July 8 every year to remember President Kim Il-song, making it a tradition, holding functions to recall the immortal exploits of the president and waging an active movement to support the struggle of the Korean people for socialism and the reunification of the country.

DPRK: Pyongyang Marks 36th Anniversary of Independence of Senegal

SK0404093296 Pyongyang KCNA in English
0927 GMT 4 Apr 96

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — A meeting was held here on April 3 under the sponsorship of the Korea-Senegal Friendship Association on the occasion of the 36th anniversary of the independence of Senegal.

Present at the meeting were Yi Song-ho, vice-chairman of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairman of the Korea-Senegal Friendship Association, officials concerned and working people in the city.

A message of greetings to the president of Senegal was adopted following a speech.

DPRK: Kim Chong-il Thanks Workers in Ongjin, Haeju, Security Men

SK0404042196 *Pyongyang KCNA in English*
0339 GMT 4 Apr 96

[FBIS Transcribed Text] *Pyongyang, April 4 (KCNA)* — The great leader Comrade Kim Chong-il sent thanks to officials and employees of the Ongjin seafood culture enterprise and the Haeju Chemical Factory, Kim Chon-il, an instructor of the state external economic affairs commission, and his wife, the family of Chong Sang-su residing in Yusong-tong, Central District, *Pyongyang* municipality and other officials and working people for setting examples in assisting the people's army.

Comrade Kim Chong-il also sent thanks to public security men of the Sinyang County Security Department in South Pyongan Province for arranging traffic convenience for the people by building a suspension bridge over the Piryu River.

DPRK: Kim Chong-il Supports Tree of 'High Economic Value'

SK0304123096 *Pyongyang KCNA in English*
1015 GMT 3 Apr 96

[FBIS Transcribed Text] *Pyongyang, April 3 (KCNA)* — Efforts for planting *evodia daniellii* benn are going on in full swing in a nationwide movement in Korea.

Under the plan to plant the tree on tens of hectares this year on a fresh basis, each of counties is now working hard to materialize the goal.

It is an oil-bearing tree of high economic value.

The height of the tree is 10 to 15 metres on an average and 20 metres at maximum.

Oil content of its dried seed amounts to 32.1 to 41.7 percent.

A high-grade strain of the tree was cultivated and scientific and technological matters in its propagation were settled by Kye Ung-sang University and scientists in recent years so that it could have a better prospect in its economic use.

The new strain of the tree bears fruits 4 to 5 years after it is planted and their quantity is 2.8 to 5 times that of natural condition per tree.

The amount of oil production in 10-year-old trees is 4.6 times and in 15-year-old trees 6.5 times as much as the 5-year-old trees.

Its oil is used not only for edible oil but in making boiled oil, varnish, soap, high-class paint, printing ink and medicinal materials.

Its residue is used as high-nutritious fodder and its timber is used in making high-class furniture.

The tree of such a big economic value tells deep loving care and benevolence of the great leader President Kim Il-song, who devoted his lifelong energy only to the happiness of the people.

Originally, they were sparse in some parts of North and South Hwanghae Provinces. But, most of them were burnt by indiscriminate bombing of the enemy in the three-year-long war (June 1950-July 1953), except a few of them.

President Kim Il-song, when he was giving on-site guidance to the North Hwanghae Province one day in October, 1964, stopped before a tree at the foot of a mountain and said: This is the *evodia daniellii* benn. This is good to look at and has much oil content so it should be cultivated well.

The aim of President Kim Il-song, who is concerned even about a wild plant to make it as an asset useful for improvement of the people's living standard, was brought into full bloom on this land under the wise leadership of the great leader Comrade Kim Chong-il.

Comrade Kim Chong-il has taken down-to-earth measures to plant the trees in *Pyongyang*, North and South Hwanghae Provinces, South Pyongan Province and other areas.

As a result, the trees form thick forests in various parts of the country, greatly contributing to the improvement of the people's living standard.

DPRK: Yi Chong-ok, Active Planning Workers Discuss Economic Plans

SK0404042096 *Pyongyang KCNA in English*
0338 GMT 4 Apr 96

[FBIS Transcribed Text] *Pyongyang, April 4 (KCNA)* — A national conference of active planning workers was held here on Wednesday, coinciding with the 50th anniversary of the state planning organ.

Discussed at the conference were tasks and ways to bring about a new turn in the national economic planning by thoroughly implementing the *chuche*-based policy of planning put forward by the Workers' Party of Korea [WPK].

The conference was attended by Yi Chong-ok, member of the Political Bureau of the WPK Central Committee

and vice-president, and other senior party and government officials.

It was noted at the conference that the great leader President Kim Il-song systematized in an integral way and perfected the principles and methods of planning suitable to the nature of socialist society, regarding the national economic planning as vital to socialist construction and as the most important for the economic affairs of the state.

It was also said that the great leader Comrade Kim Chong-il made it the basic principle of the national economic planning to put into effect President Kim Il-song's ideas and plans for economic construction, strongly built up planning bodies and enhanced their function and role in keeping with the requirement of the unified planning system and had the advantages of the socialist planned economy brought into full play.

The reporter and speakers said that national economic development plans have been successfully worked out and fulfilled in Korea over the past five decades, including two yearly plans and two-year plan in the period of the peaceful construction after the liberation of the country, the three-year plan and five-year plan after the war, the six-year plan and the seven-year plan. As a result, the vitality and dynamism of the socialist planned economy have been fully demonstrated and the Democratic People's Republic of Korea has turned into a powerful socialist country independent, self-supporting and self-reliant in defence, they said.

They stressed the need to carry on the national economic planning in the way Comrade Kim Il-song did, fully embody Comrade Kim Chong-il's ideas and theories in working out and fulfilling plans, and continue implementing to the letter the WPK's policy of unified and detailed planning.

A letter of pledge to Comrade Kim Chong-il was adopted at the conference.

DPRK Paper Notes WPK's Policy of 'Education in Morality'

*SK0304122796 Pyongyang KCNA in English
1008 GMT 3 Apr 96*

["NODONG SINMUN on WPK's Policy of Moral Education" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 3 (KCNA) — NODONG SINMUN today comes out with an article saying that carrying on education in morality in the whole society is a consistent policy of the Workers' Party of Korea [WPK].

The WPK advanced a policy of families, schools and society joining their educational efforts to rear the people to be communist human beings with sound morality, the daily says.

It says only when all public educational establishments and means of propaganda and education enhance their role and social circumstances are favorable to the education of the people in noble communist morality, can all the members of society have good morality.

The daily elaborates on the significance of the WPK's policy of moral education in whole society.

It says:

The significance is found, first of all, in that the policy makes it possible to fully prepare all our party members and other working people to be chuche-type revolutionaries with communist morality.

It is also manifested in that the policy makes it possible to further beautify the proud appearance of our society in which all the people live a harmonious life, helping and leading each other forward, united closely around the party and the leader.

Our people feel very happy in dedicating their all to the party and the leader, to society and collective. Such communist virtues of theirs fully prove the validity and vitality of the WPK's policy of moral education.

All the party members and other working people must bring into full play the proud traits of our society replete with communist virtues, with the great pride of living and making revolution with the respected Comrade Kim Chong-il, the supreme incarnation of communist morality, as their father and teacher.

DPRK: Heroes, Heroines of Fatherland Liberation War Landed

*SK0404093996 Pyongyang KCNA in English
0934 GMT 4 Apr 96*

["Heroes and Heroines of '50s" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — There are many heroes and heroines in the annals of the Korean revolution, who devoted their youthful lives to the future of the country.

In the last fatherland liberation war (June 1950-July 1953) young men and women of Korea fully displayed the matchless self-sacrificing spirit and mass heroism for the defence of the country and for the happiness of posterity.

Hundreds of them became heroes and heroines.

Among the heroic soldiers were Yi Su-pok, who contributed to the victory of his unit in a battle by silencing an enemy pillbox with his body, Kim Ki-u (twice Hero of the DPRK), who shot down many enemy planes in the heat of the aircraft hunters team movement, Pak Soe-ok, who destroyed 12 enemy tanks, 8 lorries and 2 warplanes, Na Hong-chu, who guaranteed the victory of his unit in a battle on Height 125 by connecting the bisected commanding communication line with his body, and Kang Ho-yong, who annihilated many enemies by rolling down to them with a handgrenade in his mouth.

A hero of the DPRK Han Kye-yol courageously fought to defend even an inch of the country's land from the aggression by enemy.

The great leader President Kim Il-song met with DPRK heroes and model fighters in June 1951. At that time he said that Han Kye-yol was a courageous hero who was the first to put up the torchlight of the "my height" movement, adding: "We should remember these heroes and heroines forever."

President Kim Il-song made sure that a hall of heroes and heroines was arranged and their pictures were displayed in the victorious fatherland liberation war museum so that their feats in battles can be handed down to posterity.

DPRK Paper: Kim Il-song's Life Shines With Red Flag

*SKD404102096 Pyongyang KCNA in English
0952 GMT 4 Apr 96*

["President Kim Il-song's Life Shines With Red Flag, Stresses NODONG SINMUN" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 4 (KCNA) — NODONG SINMUN in an article today underlines that the glorious life of the respected leader Comrade Kim Il-song is that of a great revolutionary who had held the red flag high.

The article quotes the great leader Comrade Kim Chong-il as saying:

"The respected leader embarked on the road of revolution in his early years and devoted his all only to the freedom and happiness of the people, overcoming harsh trials. He was the greatest man, who wound up his brilliant life as a communist revolutionary most splendidly."

The life of Comrade Kim Il-song, who had held the red flag of *chuche* high, was a most brilliant one during which he devoted his all only to the fatherland and the revolution, knowing no enjoyment all his life; it was the road of "arduous march" along which he pulled through difficulties all the time and a brilliant life shining with

the great model of a revolutionary life that lives today always for tomorrow, the article says and continues:

He devoted his whole life to the revolutionary cause of *chuche*, thinking not of himself but of the fatherland and the revolution all his life.

For him, it was the biggest pride to work hard for the fatherland and the people and it was a pleasure to share bitters and sweets with the people.

It was his steadfast will that the red flag should be held higher as the enemy of the revolution runs wild and difficulties come one after another, like the red flag that flutters more powerfully as the wind blows hard.

He always stood in the van of the battle fields decisive of the destiny of the Korean revolution and the red flag fluttered high wherever he was.

He always thought of tomorrow rather than today in working out and carrying on all revolutionary work.

It was our respected leader who had brought earlier the future regarding his hardships as pleasant ones, drawing a picture of the ever-prosperous fatherland and the people who will live a proud and happily life in it.

It is his greatest exploit that he, seeing through the historical necessity of carrying forward the cause of revolution long ago, had most creditably settled the question of succession to leadership for steadfast succession to and completion of the cause of revolution through generations.

His life is the supreme glory of life and struggle that can be exalted by a man, a revolutionary, not only a leader of a country and a nation.

In his lifetime, he badly hated the renegades who abandoned the red flag as well as those who gave up the revolution halfway, and resolutely broke with them.

He began revolution with winning comrades and led it to victory with his comradely love and revolutionary obligation.

One can live without money but can not live without affection — this was a philosophy of his family members in Mangyongdae and his view of life as well.

The idea of the red flag and the spirit of the red flag, which he created through his whole life, mean that a revolutionary must uphold the red flag in his struggle from the start of revolution until the last moment of his life.

The article points out that the history of the glorious revolutionary activities of Comrade Kim Il-song, who had come a long way with the red flag held high, has

been firmly carried forward by the respected general Kim Chong-il.

Since there are the revolutionary people who are vigorously advancing with the red flag of chuche held high following general Kim Chong-il, the history of the red flag created by Comrade Kim Il-sung will be immortal forever, stresses the article.

South Korea

ROK: Kim Yong-sam Sends Condolences Over Death of Ron Brown

SK0404084896 Seoul YONHAP in English
0724 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — President Kim Yong-sam sent his condolences to U.S. President Bill Clinton Thursday on the presumed death of U.S. Commerce Secretary Ron Brown, who was aboard an airplane that crashed in Croatia.

In a cable telegram, Kim said he believes Brown and the American businessmen killed in the crash will long be remembered for their great sacrifice in promoting peace and development in the Balkan region.

Kim said that Clinton must be overwhelmed with grief at the unexpected loss of one of his most trusted cabinet members.

ROK: Defense Against 'One-Sided' Claims of U.S. Firms Urged

SK0404013096 (Internet) The Digital Choson Ilbo
WWW in English 1127 GMT 3 Apr 96

[Editorial: "Multi-Lateral Solution to Trade Friction Needed"]

[FBIS Transcribed Text] The Office of United States Trade Representative in its 1996 National Trade Estimate Report of Foreign Trade Barriers recognised advances in Korea's finance and automotive industries that have resulted from bi-lateral trade negotiations with the U.S. but indicated that there is still dissatisfaction with the fact that a high import tax policy is applied to a number of commodity types and the lack of improvements to non-tariff barriers such as complicated customs clearance and the imposition of goods standards.

Blame can be attributed to both sides for friction resulting from perceived trade barriers imposed by Korea.

On the one hand, the Korean government ought to adopt measures to rapidly and continuously improve two areas in respect of which problems do lie, namely procedural ambiguity and excessive bureaucratic discretion.

On the other hand, however, we ought to vigorously defend our position in regard to a number of areas where we have been sincerely negotiating and effecting improvements. We have made many concessions in respect of and effectively liberalized the areas of foreign exchange, finance, foreign investment, agricultural and fishing products imports, service industries and many others and it is quite unfair and undesirable for the U.S. Government to heed only the one-sided claims of U.S. businesses in certain areas; it is this very tendency that causes trade friction.

We say also to criticism raised about our importing country diversification and motor vehicle tax policies that we have been for some time effecting constant gradual improvements. The problems associated with the preservation of intellectual property rights too are being steadily alleviated and the situation has improved much in comparison to the past.

We also ought to respond resolutely to complaints made about the imposition of movie import quotas in the television broadcasting sector. The film and television program industry is special and cannot simply be classified as a part of the service industry, rather it impacts upon our country's national cultural character and it is thus very difficult for the United States to fully liberalize this industry. The issue at hand should be seen more as one of respecting the moral and cultural differences which exist between the various nations and our current policy regarded not as a practice of discrimination rather one that preserves diversity. In this regard, our government should not rely solely upon bi-lateral solutions to the trade friction that has arisen rather it should formulate a plan to adopt the WTO-centered system of multi-lateral negotiations in the search for a solution.

Dailies Comment on USTR Report on ROK Market Opening

SK0304142896

[FBIS Report] The following is a compilation of editorials published in ROK vernacular dailies on 3 April concerning the 1996 U.S. Trade Representative [USTR] report on Korea's market opening.

The pro-government SEOUL SINMUN carries on page 3 a 700-word editorial entitled "Trade Diplomacy Toward the United States Should Become Offensive." By writing that the report took issue with the ROK's automobile tax and limited shelf life period for food, on which the ROK has already made considerable concessions, the editorial maintains that the United States has "bluntly expressed its intention to pressure" the ROK. Stating that the ROK's trade negotiations with

the United States have been "stained with concessions" and that the ROK has been "presumed as being defensive," the editorial holds that as a result of assuming a defensive attitude in trade diplomacy, it brought about "a wrong notion that the ROK will open up its market when trade pressure is applied."

The editorial notes "the ROK should positively accept the U.S. reasonable demands, however at the same time, should be able to turn down the ones that go against international trade norms" and continues that the ROK should also be able to "raise straightforward trade demands to the United States." Noting that the EU maps out its own annual report on U.S. trade barriers and makes the most of it in its trade talks with the United States, the editorial concludes by urging the government to "draw up an annual trade report on major trade partners and actively use it in trade diplomacy."

The moderate MUNHWA ILBO carries on page 11 an 800-word editorial entitled "Straightforward Diplomacy With the United States." The editorial foresees that U.S. trade pressure will increase further with the U.S. President election just around the corner. Commenting on the USTR report, the editorial writes that the U.S. trade pressure on the ROK "violates the spirit of multi-party negotiations" and "is nothing but unilateral pressure of the superpower." Enumerating the ROK's efforts and measures to open up its market and the widening trade deficit with the United States, the editorial denounces the United States for exercising pressure on the ROK even though it registered a trade surplus.

The editorial urges the ROK Government to establish "fair trade logic and, thereby, deal with arbitrary and lopsided demand of the United States." The paper then stresses the need to collect all unfair U.S. trade practices and use it as a negotiation card. The editorial concludes: "Taking into account that the ROK is the fourth biggest trade partner to the United States and registered a trade deficit with the United States, the ROK should avoid the negotiation attitude of repeatedly making concessions on the grounds of the spirit of the World Trade Organization and effectively engage in trade negotiations on a equal footing with clear trade logic." (endall) 3 apr kj/ramirez/KKJ26034.06/dr610304.12/ak 03/1428z Apr

Editorial Says USTR Report on ROK Carries 'Stronger Tone'

SKD404070596 Seoul CHUNGANG ILBO in Korean
4 Apr 96 p 6

[Editorial: "ROK Should Actively Deal With Trade Pressure"]

[FBIS Translated Text] The ROK-U.S. trade relations have surfaced once again as a topic of discussion. The annual National Trade Estimate Report of Foreign Trade Barriers [NTE] published by the U.S. Trade Representative [USTR] foreshadows rough ROK-U.S. trade relations this year. The report covers business practices and government regulations of all ROK industries, and some of them are even unfamiliar to us. The report points out that ambiguous ROK regulations are against international standards and are applied to U.S. companies in a disadvantageous way.

People's reactions to the NTE report are divided. Some believe that the report is merely a repetition of the U.S. demand for a wider opening of the ROK markets; therefore, the only action for the ROK Government to take is to play fair in trade negotiations. Others believe the ROK should now accept U.S. demands and strengthen the competitiveness of the ROK market structure.

The 1996 NTE report has a stronger tone, considering the presidential election, and the level of attack is also higher. Considering the political situation in the United States, the main targets are Japan and the PRC, which marked a great trade surplus with the United States. This does not mean that the ROK could feel at ease. The ROK learned a lesson last year when it ignored the NTE report at auto market negotiations. The ROK Government should make an accurate assessment of the report to grasp the U.S. intention, then, the government should confirm the assessment through nonofficial channels.

The report particularly complains about the telecommunications market and the intellectual property rights. The United States asserts it has a competitive edge in these two fields. Although the ROK is less competitive in the two fields, these are South Korea's strategic industries that cannot be given over to the United States. The ROK cannot close the door forever, either. The ROK should strengthen competitiveness through market liberalization and thereby prepare for the opening-up. The ROK should be wise enough to learn a lesson from the U.S. report and enhance national strength.

ROK Concludes Communications Talks With U.S.*SK0404034596 (Internet) The Digital Choson Ilbo
WWW in English 1129 GMT 3 Apr 96*

[FBIS Transcribed Text] Korea and the United States Tuesday concluded one-week long communications talks at Washington. The conclusion of the talks saw Korea deleted from the list of non-executing countries party to the Communications Agreement meaning Korea is now able to avoid reprisals imposed by U.S. Trade Act art 1377.

The Korea Government reiterated its existing pledges that Korea Telecom's equipment purchasing procedures will apply equally to foreign entities as they do to domestic entities and that Korean telecommunications corporations purchasing agreements entered into with foreign entities will no longer include the condition precedent of technology transfer.

ROK: DPRK Army Training Activities 'Reduced' Despite Threats*SK0404010496 (Internet) The Digital Choson Ilbo
WWW in English 1132 GMT 3 Apr 96*

[FBIS Transcribed Text] A high-ranking South Korean army source said Wednesday that despite the repeated threats of war by North Korean officials, exercises conducted by the North's army have been dramatically reduced.

He said that exercises carried out by North Korea's naval and air forces have been maintained at the same level as the previous year between November and March but that the level of army exercises had fallen to 20-30% of the previous year's level.

According to the official, the reduction of the number of army exercises resulted from the strengthening of discipline of army personnel by the government. It is known that there is a widespread lack of discipline amongst army troupes hence North leader Kim Chong-il ordered that a new type of educational philosophy be adopted whereby educators concentrate on ideological training rather than the ordering of field exercises.

ROK: Kim Yong-sam Gives Pep Talk to Soldiers at DMZ*SK0404021996 Seoul YONHAP in English
0201 GMT 4 Apr 96*

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — President Kim Yong-sam visited an army division deployed along the southern boundary of the Demilitarized Zone (DMZ) Thursday morning to inspect the division's defensive posture and to give a pep talk to soldiers undergoing combat training.

The commander-in-chief received a briefing on the division's situation at a hilltop observation post, which had a commanding view of the northern side of the DMZ. Kim then told soldiers there that a solid defensive posture is the cornerstone for sustained national development.

North Korean leaders have unleashed a recent wave of jingoistic rhetoric, but they should keep in mind that a reckless provocation would only lead to their own collapse, he stressed.

He then called on the soldiers to maintain a watertight defense network, saying it would only help improve inter-Korean relations.

Kim also dropped in at a few billets and a special warfare training range to pep up the soldiers.

ROK: KPA Statement Renouncing DMZ-Related Obligations Viewed*SK0404110496 Seoul YONHAP in English
1057 GMT 4 Apr 96*

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — North Korea, arguing that it has become impossible to maintain the status of the Military Demarcation Line [MDL] and the Demilitarized Zone [DMZ], declared Thursday they were renouncing their obligations related to the maintenance and management of MDL and DMZ.

According to the National Unification Ministry, the North maintained that under the circumstances they can no longer one-sidedly abide by (Military Armistice Agreement) provisions on MDL and DMZ.

In a statement issued by a spokesman for the "Panmunjom delegation of the Korean People's Army [KPA]," North Korea said that in the renouncement of their obligations, they would have all North Korean personnel and vehicles entering the Joint Security Area of Panmunjom and DMZ areas do away with using designated identification insignias.

"This self-defense measure is proper under the circumstances in which the status of the Demilitarized Zone can no longer be maintained," it said.

The statement insisted that "those people who, while violently infringing upon the Armistice Agreement, have turned the order of conducts in the Demilitarized Zone into lawlessness, should be held responsible for the measure we have taken."

It noted that 1st Vice People's Armed Forces Minister Kim Kwang-chin on last March 29 stated North Korea would take corresponding steps, warning against "unusual military moves" taking place south of the demarcation line.

"The South Korean military authorities have brought in guns of various calibers and nuclear weapons and countless armed troops in violation of the armistice agreement that prohibits the introduction of nuclear and automatic weapons and more than 1,000 troops into the demilitarized zone," the North Korean statement said.

It went on to assert that "the southern sector of the Demilitarized Zone is no longer a buffer zone, and the Military Demarcation Line and the Demilitarized Zone established under the Military Armistice Agreement have turned into a new starting point for attack."

ROK To Hold Emergency Meeting To View KPA Statement on DMZ

SKD404115896 Seoul KBS-1 Radio Network in Korean 1100 GMT 4 Apr 96

[FBIS Translated Text] At 2000 [1100 GMT] on 4 April, the government will convene an emergency meeting of unification and security-related ministers in connection with the emergency in which the Armistice Agreement is being threatened due to the North Korean announcement to give up its duties of maintaining and managing the Demilitarized Zone [DMZ].

The meeting will be presided over by Kwon O-ki, deputy prime minister for unification, at the Secretariat for South-North Dialogue, and will be attended by Foreign Minister Kong No-myong; National Defense Minister Yi Yang-ho; Kwon Yong-hae, chief of the Agency for National Security Planning; Kim Kwang-il, chief presidential aide; and Yu Chong-hwa, senior presidential aide for security.

Meanwhile, as regards North Korea's continuing attempts to paralyze the Armistice Agreement, a government authority stated: There has been no change in our position that, in order to establish a perfect peace system on the Korean peninsula, we should first recover mutual trust and should create an atmosphere for peace while the current armistice system is maintained.

ROK-U.S. Combined Forces React to DPRK Statement on DMZ

SKD404120796 Seoul KBS-1 Radio Network in Korean 1100 GMT 4 Apr 96

[FBIS Translated Text] Viewing North Korea's announcement that it will no longer observe the Armistice Agreement as one of a series of measures taken by North Korea to paralyze the Armistice Agreement, the ROK-U.S. Combined Forces Command has decided to carefully watch the North Korean Army from here on.

The National Defense Ministry will hold an emergency meeting presided over by Pak Yong-ok, head of the min-

istry's Policy Planning Office, and will soon express our side's reaction to North Korea's unilateral announcement that it will not recognize the status of the Demilitarized Zone as provided in the Armistice Agreement.

ROK Government, UNC Issue Reactions to KPA Statement on DMZ

SKD404115296 Seoul YONHAP in English 1147 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — North Korea's announced renouncement of their obligations regarding the maintenance of the Demilitarized Zone [DMZ] is no more than part of their scheme to torpedo the existing armistice system, a government official said Thursday.

"There is no change in the government stand that until a complete peace system takes root on the Korean peninsula, there should first be confidence building and the fostering of a peace atmosphere while maintaining the existing armistice system," the official said.

The comment came after North Korea said they would no longer have their troops and vehicles entering DMZ use identification insignias.

North Korea said this is a "self-defense measure to counter unusual military moves taking place South of the Military Demarcation Line."

Meanwhile, the United Nations Command [UNC] in Korea said the North Korean statement is clearly a dangerous step in Pyongyang's continuing efforts to dismantle the Armistice Agreement.

The UN Command said actions taken by North Korea are not helpful to the continuing effort to find a lasting and just peace on the Korean peninsula.

"The command regrets this unfortunate action by North Korea and we will continue to abide by the Armistice Agreement," a UNC press release said.

ROK: Groups To Form Headquarters for Cohosting World Cup

SKD404073496 Seoul YONHAP in English 0642 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Sixteen civic organizations of South Korea decided Thursday to inaugurate a pan-national headquarters for the proposed co-hosting of the 2002 World Cup soccer finals by South and North Korea.

Participating organizations include the Korean Federation for the Environmental Movement, the Association

of Catholic Priests for Realization of Justice and Federation of Korean Trade Unions. The headquarters will be formally inaugurated April 16.

Tentatively-named "the Pan-national Headquarters for the Realization of South-North Co-hosting of the 2002 World Cup for National Reconciliation and Peace," it will be jointly led by Kim Song-su, bishop of the Anglican Church and Yi Chang-pok, permanent chairman of the National Congress.

Eminent figures including Stephen Cardinal Kim Su-hwan, Song Wol-chu, president of South Korea's Buddhist Chogye Order and former Prime Minister Kang Yong-hun, will also be asked to serve as advisers.

Headquarter members plan to visit the headquarters of FIFA, soccer's world governing body, in Switzerland to stage cultural performances there shortly before June 1, the date when the venue for the 2002 World Cup will be decided.

If North Korea shows a positive attitude towards the South's proposal to co-host the event, the headquarters will hold a cultural performance in Switzerland as well as arrange a joint visit to FIFA headquarters with North Koreans.

Kim Kyong-min, a civic organization official who is preparing for the inauguration of the headquarters, said, "Korea is the only divided nation in the world. If South and North Korea co-host the World Cup, then it will help improve world peace."

ROK: Ignatenko Reportedly To Deliver Letter to Kim Chong-il

SK0404020796 Seoul HANGUK ILBO in Korean
4 Apr 96 p 1

[Report by Moscow-based correspondent Yi Chin-hui]

[FBIS Translated Text] It was learned on 3 April that Vitaliy Ignatenko, Russia's deputy chairman of the Government, will visit North Korea on 11 April, converse with Kim Chong-il, and deliver to him President Boris Yeltsin's personal letter concerning the improvement of Russian-North Korean relations.

ROK: Students Gather for Demonstrator's Memorial Service

SK0404014896 (Internet) The Digital Choson Ilbo
WWW in English 1133 GMT 3 Apr 96

[FBIS Transcribed Text] 5,000 students from 20 different universities gathered Wednesday at Yonsei University's Democracy Plaza to attend a memorial ceremony for No Su-sok, a Yonsei University student who died

recently in the midst of student demonstrations against tuition fee increases.

In addition, 1,300 graduate students from Yonsei and Sogang Universities resolved to hold a one-day strike Thursday from lectures both honoring No and further protesting against the unilateral hike of school fees.

According to an autopsy conducted by a number of doctors, No died from a heart attack resulting from natural causes however students refuse to accept this and continue to allege that No died due to assaults committed upon him by riot police.

ROK: Funeral Postponed for Student Who Died Fleeing Riot Police

SK0404092796 Seoul YONHAP in English
0844 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Funeral services for the Yonsei University student who died last Friday [29 March] while fleeing from riot police has been postponed indefinitely, a Yonsei Student Committee said Thursday.

In a press conference, the committee, formed to look into the death of No Su-sok, said that the funeral cannot be held before the truth behind his demise is revealed and those responsible for his death are punished.

Both the committee and No's bereaved family agreed to put off the funeral.

Funeral services were to have begun at 8 AM at Yonsei University for the late No who was majoring in law at the university. He was 20.

No's body was slated for burial Thursday evening at Mangwol-tong Cemetery in Kwangju. The burial site also houses the remains of those killed during the brutal military clampdown on the 1980 civil uprising in the southern city.

No collapsed suddenly while fleeing from riot police Friday evening, having participated in a student demonstration protesting hikes in college tuition and demanding that President Kim Yong-sam reveal his 1992 presidential election campaign funds. He was pronounced dead upon arrival at a hospital.

A preliminary autopsy Sunday confirmed that the cause of death was a heart attack.

Anticipating more student demonstrations, police deployed 78 riot units comprised of some 95,000 officers around Yonsei University and along the streets where the procession moved.

ROK Prime Minister Urges Parties To Abide by Election Law

SKD404092896 Seoul YONHAP in English
0751 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Prime Minister Yi Su-song, amid rampant reports of confused and overheated electioneering with the general elections only a week away, urged the general public Thursday to help realize fair elections by abiding by the Election Law.

In a statement, Yi asked political parties, candidates and election campaign workers "to look squarely at the reality that popular consciousness no longer tolerates illegal vote-gathering acts, and to abide by the election law to the end."

The government will mobilize all law enforcement agencies to the fullest extent to ferret out illegal acts such as entertaining voters, vote buying, presentation of gifts, malicious slandering and violence, Yi said.

Such irregularities will be dealt with sternly not only during the campaign period, but after the elections as well, he warned.

Yi called upon radical students resorting to street demonstrations to refrain themselves from doing so, saying that their excessive actions are liable to harm an atmosphere favoring fair elections.

The scholar-turned prime minister entreated the constituents to "take the lead in holding clean and fair elections with a perception to enhance our national pride and hand down to our posterity hope and comfort."

Meanwhile, the government is set to hold a meeting of election-related ministers Saturday for a final review of the state of election management and to work out a means of ensuring fair elections.

ROK: Lawmaker Questioning Planned on Money Distribution Issue

SKD404072596 Seoul YONHAP in English
0554 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Rep. Pak Kyu-sik of the opposition United Liberal Democrats [ULD] will be questioned by prosecutors Thursday afternoon on the allegation that he had money given to voters to win their support, the Supreme Public Prosecutor's Office announced.

In a related development, Pak's secretary, Sin Tong-chin, 46, was arrested Wednesday evening on charges of distributing 11.9 million won among some 100 voters in a bid to win their support for his boss in next Thursday's parliamentary elections, the statement said.

Sin is being charged with having given some 100 voters in the city of Puchon 100,000 to 200,000 won each last Friday.

He confessed to having distributed the money among the voters under orders from Pak, the statement added, and if the allegation is confirmed, Pak will be indicted for violating the election law.

ROK: Article Highlights 'Tough Reelection' Constituencies

SKD404033796 Seoul THE KOREA TIMES in English
4 Apr 96 p 2

[FBIS Transcribed Text] Some incumbent lawmakers are engaged in tough reelection campaigns as they have been designated as major targets for "extermination" by rival political parties and their leaders who in particular, harbor personal grudges against them.

Among the politicians in this category are Rep. Kim Won-ki, co-leader of the minor opposition Democratic Party [DP] who refused to follow Kim Tae-chung, president of the main opposition National Congress for New Politics [NCNP] when he formed the party, and Hwang Myong-su, a ruling New Korea Party [NKP] lawmaker who is engaged in a close contest with the United Liberal Democrat [ULD] candidate in Asan, Chungchongnam-to, the undisputable power base of Kim Chong-pil, ULD founder.

Yi Chol, a reformist three-term lawmaker elected from the Songbuk-A, Seoul, electoral district, is waging an uphill battle with Yu Chae-kon, a lawyer and TV commentator who was personally tapped by NCNP leader Kim to beat Yi.

Yi was vilified as a No. 1 enemy by Kim Tae-chung for also not following the opposition leader when he left the DP to create his own party after the June 27 local elections. It is said that Yi won three consecutive terms through the support from voters from the Cholla provinces, Kim's power base.

Kim Won-ki, who is running as the DP's candidate in Chongup, Chollapuk-to, is waging a hot contest with Yun Chol-sang, a secretary to the NCNP leader. In stumping rallies, Yun has appealed to voters not to cast ballots for Kim who he claims betrayed his boss.

The NCNP plans to send Yi Hui-ho, the wife of NCNP leader Kim, to campaign for Yun and discredit the DP co-leader.

The ULD, led by Kim Chong-pil who hails from Chungchong province, is going all out to disgrace Rep. Hwang, a close aide to President Kim Yong-sam, and Hong Chae-hyong, former finance-economy minister who is

running in the Chongju-Sangdang electoral district on the NKP ticket. Hong was personally tapped as a candidate by President Kim, being given the mission to thwart the ULD offensive in the Chungchongpuk-to region.

The ULD is also exerting every effort to humiliate NKP chairman Kim Yun-whan in his home district of Kumi, Kyongsangpuk-to, by fanning anti-President Kim sentiment which is widespread in the region.

The NKP has also mobilized every means to belittle Yi Ki-taek, the DP leader who is waging a neck-and-neck battle in Haeundae, an electoral district in Pusan, the NKP's stronghold.

The three Kims are reportedly eager to teach the rebellious former deputies lessons they won't forget.

ROK: Article Likens 11 Apr Elections to Presidential Primary

SK0404032496 Seoul THE KOREA TIMES in English 4 Apr 96 p 2

[Article by staff reporter Kwon Tae-yong: "April Polls Are Only Primaries for Presidential Hopefuls"]

[FBIS Transcribed Text] With the presidential election still one and a half years away, the general elections, now only seven days away, are taking on the nature of a presidential primary.

Party leaders who aspire for the presidency are stumping across the nation, presenting themselves directly and indirectly as presidential hopefuls.

Their bold remarks about running for the presidency next year are viewed in part as a campaign strategy to garner support behind the candidates of their parties.

But, it is also apparent that they are seeking to display their political clout to the public in preparation for the post election days.

NKP [New Korea Party] chief campaign manager Yi Hoe-chang, former prime minister with popular support among the younger generation, is regarded as a possible contender for the presidency after President Kim steps down. He was named last month as the party's next presidential candidate by senior members of a local party chapter in Chungchongnam-to.

Unlike other presidential hopefuls, he has commanded popularity for his clean and uncompromising image, earned while serving as prime minister, chairman of the Board of Audit and Inspection, and a judge, but he has not indicated whether he will stand or not yet.

But it is considered unlikely he would have joined the ruling NKP led by President Kim Yong-sam, if he had no presidential ambitions himself.

Kim Yun-whan, chairman of the ruling New Korea Party, said Tuesday that he turned down President Kim Yong-sam's offer to give him the top seat in the party's list of national constituency seats.

"If I accepted his offer, I would have lost my Assembly seat, assuming I quit the party, as this is what the election law requires. So I decided to run again here," he said in a NKP campaign rally at Kumi, Kyongsangpuk-to, in his electoral district. He said, "If our party is to hold power again, who else except me can represent the Taegu-Kyongbuk area," strongly hinting that he would run for the presidency.

NKP campaign manager Pak Chan-chong, who is in charge of the Seoul metropolitan area, divulged Monday his intention to run for the presidency in 1997.

In an interview with Kyodo News Agency, he said that the Hangul (Korean alphabet) generation in their 40's and 50's now has to take the lead in the nation's politics. The leaders should come from among those who took part in the democratic movement against past military regimes, indicating that he is one who fits the bill.

His remark was clearly intended to move himself into the front in the race among the party's presidential hopefuls.

Kim Tok-yong, Yi Han-tong and Kim Chong-ho are other high figures in the ruling camp who have let out their ambition to run in the presidential race.

In the opposition camp, it is widely believed that Kim Tae-chung, leader of the main opposition National Congress for New Politics [NCNP], will surely run for the presidency next year unless his party receives a major setback in the coming general elections.

Due to the decades of regional rivalry and the growing anti-NKP mood in the metropolitan area, the NCNP is expected to win enough votes to encourage Kim to announce he is running again for the presidency.

Kim Tae-chung, obviously aware of the importance of the coming elections, is trying hard to participate in as many local campaign rallies as possible, making the general elections look very much like a primary in the United States. But he has to cope with the public's negative attitude to his making a presidential bid for the fourth time in a row.

Kim Chong-pil, leader of the United Liberal Democrats, has continued to claim of the need to change the current presidential system into a parliamentary cabinet system, which would give him more opportunity to display his clout. If the current presidential system continues however, he will have to jump into the presidential race even in the twilight of his career like Kim of the NCNP.

ROK Editorial Comments on Handling of Election Law Violations

SK0404013296 (Internet) The Digital Choson Ilbo
WWW in English 1126 GMT 3 Apr 96

[Editorial: "Dirty Politics Rears Its Head"]

[FBIS Transcribed Text] The fact that there has been a 37.3% increase in detection by prosecutors of Election Law infringements by politicians campaigning in the lead up to the election of the 15th National Assembly in comparison to infringements committed in the same period prior to the 14th general elections means that dirty play engaged in by parties in election periods is worsening. What is more, the fact that such antics tend to heat up in the final days of the campaign period signals a warning that the Election Committee and other related authorities must now make greater efforts to prevent unclean behaviour.

We request candidates of both the ruling and opposition parties to exercise greater self-restraint. Now that the provisions of the Election Law have been strengthened, unlike the situation in the past, it is no longer easy to solicit votes through irregular means and those politicians who do succeed in being selected by improper means will eventually end up in jail, not the National Assembly.

It is particularly alarming that the majority of election irregularities have to date been committed by ruling party candidates. Of the 131 candidates charged by Prosecutors for suspected breach of the Election Law, 54 are on the ruling New Korea Party (NKP) ticket, representing the greatest number of charges brought against any one party. Similarly, of the Election Management's Committee black-list of 35 "hyperactive candidates" whose activities are being especially scrutinized for Election Law contravention, 16 names are those of NKP candidates. It is thus surprising that, despite these statistics, all of the 4 candidates actually arrested so far for Election Law violations are opposition party candidates.

How can it be that the NKP which holds itself out as the flag-bearer of "New Korea" is perceived to be the greatest villain when it comes to breaching election conventions and regulations?

Moreover, how will it be possible to maintain an atmosphere of fair elections when so many politicians are engaging in dirty and unlawful practices? If this election becomes tainted due to such abhorrent practices then we will be confronted by a serious resulting after-effect, namely the comprehensive distrust by the people of all politicians. It is hoped that candidates turn their minds to this fact when contemplating further campaign activities.

ROK: Foreign Investors 'Major Players' in Korean Stock Market

SK0404023396 Seoul YONHAP in English
0104 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Foreign investors have emerged as major players on the Korean stock market, with the market now opened wider to them.

The Securities Supervisory Board (SSE) said Thursday that foreign investors accounted for 13 percent of the bourse's total capitalization as of Wednesday, up from 12.1 percent at the end of February.

The rate would go as high as 25 percent of the capitalization of active shares on the market, if dormant shares held by the government and controlling shareholders were not taken into account, according to the SSE.

The surge was attributed to another increase in foreign investment limits effected April 1. During the first three days of this month, foreign investors bought 30.29 million shares worth 812 billion won more than they sold.

Now that foreign investors have become an important force in the bourse, they will have a significant influence on the market, analysts said.

Such investors have made mostly long-term investments, and their influence will not be felt in the immediate future. The government, however, considering such investors' increasing role in the Japanese and southeast Asian markets, should carefully study their investment patterns before making a stock market policy, they added.

Foreign investors would be inclined to withdraw their funds from the country in the event of political or economic unrest, and that from now on, the stock market would be accordingly be influenced by political and economic developments in South Korea, they added.

ROK: Shin Ho Group To Establish Financial Firm in Switzerland

SK0404092696 Seoul YONHAP in English
0849 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Sin Ho Business Group of South Korea plans to establish a financial company in Switzerland to promote mergers and acquisitions (M&A) of foreign firms, its chairman revealed Thursday.

Sin Ho Chairman Yi Sun-kuk told reporters that his group, recently ranked as one of the nation's 30 largest

conglomerates, will expand its M&A business from Korean companies to overseas firms.

"Our group plans to use the projected financial firm in Switzerland as a lever to merge a local bank and an American pipe company there," Yi said.

He also expressed his group's intent to promote the M&A business inside South Korea and revealed that negotiations are under way to merge a major construction company suffering from financial difficulties this year.

Yi said that Sin Ho will boost overseas investments and join hands with small- and medium-sized companies to make joint inroads into foreign countries.

To finance M&A of foreign firms and overseas investments, Sin Ho plans to sell five buildings it has in Seoul, Yi said, adding that the group would gradually invest more in the construction, information and communications sectors.

Sin Ho has recently entered the list of top 30 conglomerates in terms of the bank loans it has received. It has 19 affiliate companies in the fields of paper manufacturing, steel production, construction, trade, electronics and engineering.

ROK: Samsung To Provide PRC's Yunnan Province With Pager System

SK0404062896 Seoul YONHAP in English
0536 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Samsung Electronics Co. (SEC) Thursday concluded a contract with the Chinese province of Yunnan to supply a pager system that will serve the entire province, a SEC spokesman announced.

According to the agreement, the South Korean electronic maker will provide Yunnan with 25 million U.S. dollars worth of hardware over the next three years, including 110 paging systems each with the capacity to handle 1 million subscribers, 500 base stations, audio mailboxes and transceivers.

Initial service of the three-year project will begin in June and August, with 16 paging systems and 108 base stations to be supplied during this year alone.

As of the end of 1995, about 15 million or 2 percent of the Chinese population had access to pagers, but the figure is expected to increase to 260 million or 20 percent of China's populace by the year 2000, the spokesman said.

The project entails linking up a series of small capacity systems and will initially cover all of the province, with

the systems to be connected later to a nationwide network in China.

ROK: Hyundai Produces Improved Main Battle Tank With 120-mm Gun

SK0404061496 Seoul THE KOREA TIMES in English
4 Apr 96 p 1

[FBIS Transcribed Text] The first K1A1 tank, an improved version of Korea's main battle tank (MBT) with a 120-millimeter smooth bore main gun, rolled off the production line in a ceremony held at the factory of Hyundai Precision and Industry in Changwon, Kyongsangnam-to yesterday.

In a speech, Defense Minister Yi Yang-ho said, "The production of the first K1A1 tank is important in that it will greatly improve our tank to tank battle abilities especially in consideration of the fact that North Korea's mechanized armor units outnumber ours."

The striking new feature of the K1A1 is its 120-millimeter gun that replaces the 105-millimeter rifled gun mounted on the original K1 that made its debut in 1990. The new gun can fire rounds capable of piercing armor up to 500 millimeters thick, almost double that of the K1's main gun. The 120 millimeter gun also has a maximum effective range of 2 kilometers compared to the 105 millimeters' 1.2 kilometers.

According to a Hyundai spokesman, the K1A1 is almost equal to Russia's T-80 and the United States' M1A1 in terms of "hunt and kill" capabilities.

The adaptation of the smooth bore gun will enable the K1A1 to effectively cope with the T-54, T-55, T-62, other Russian-made MBTs deployed by North Korea. Those North Korean tanks have armor of 300 to 400 millimeters. The T-72, the North's newest MBT, has armor of 500 millimeters and a 125 millimeter smooth bore gun.

"The K1A1s will greatly improve the ROK's tank-to-tank battle capabilities that are considered the chink in the armor of its ground battle posture against North Korea," a Hyundai spokesman said.

The new smooth bore gun mounted on the K1A1 is made and marketed by General Dynamics of the United States. According to the Defense Ministry, the first K1A1 will be tested under a variety of simulated battle conditions and if all goes well 500 of them will be deployed to ROK Army units starting in late 1997.

The K1A1 is 9.7 meters long, 3.6 meters wide and 2.3 meters high and is capable of traversing hills with grades of up to 30 degrees.

It has a maximum speed of 60 kilometers per hour and carries 32 armor-piercing APPSDS [armor-piercing fin-stabilized discarding sabot] and ordinary rounds.

ROK: Dong Ah Wins 310 Million Dollar Libyan Development Project

SK0404085596 Seoul YONHAP in English
0747 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Dong Ah Construction Ind. Co. has received an order worth 310 million U.S. dollars from Libya's Great Man-Made River Authority to develop 247 wells having a depth of 500 meters each in Jabalhasounah [spelling as received], eastern Libya, a company spokesman said Thursday.

The project will begin this month and is slated for completion in April 1998, the spokesman said.

The well development project is part of Phase II of Libya's Great Man-Made River Project, which is supposed to develop a total of 484 wells in the southeastern and southwestern parts of the African nation and convey 2.5 million tons of water daily from the wells to coastal areas in the Mediterranean Sea.

ROK: KEB Forms First Strategic Alliance With ANZ Banking Group

SK0404024396 Seoul YONHAP in English
0212 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Korea Exchange Bank (KEB) has formed a strategic business alliance with Australia & New Zealand Banking Group (ANZ), the Korean bank said Thursday.

This is the first time that a Korean commercial bank has forged such a link with a foreign financial entity, according to KEB.

The alliance paves the way for both banks to cooperate in the exchange of employees and general foreign currency operations. It also covers investment financing, including project finance syndicates, custody of securities and bonds, remittance, funding for emigrants and the placement of collateral for prospective emigrants.

In general, the agreement will enable the banks involved to expand their business turf, thus expediting the globalization of banking affairs.

"Korean businessmen operating in offshore areas generally want the presence of their home banks there, and we decided to establish the strategic alliance to meet such aspirations," a source at KEB said.

"A bank-to-bank business alliance is quite advantageous in countries where it is difficult to establish offshore

branches or locally incorporated companies or when we are unfamiliar with the offshore area concerned."

KEB, he said, seeks to establish such strategic alliances in Spain, Italy, South America and Eastern Europe.

ROK: SMBA To Maximize Assistance to Small, Medium-Sized Firms

SK0404033896 Seoul THE KOREA TIMES in English
4 Apr 96 p 8

[FBIS Transcribed Text] The Small and Medium Business Administration (SMBA) administrator Yi U-yong said yesterday that the organization will utilize maximum efficient assistance measures to help small and medium-sized companies (SMCs) actively advance into foreign markets.

Yi stated that the administration's plan will focus on strengthening their competitiveness in order to survive harsh competition under the World Trade Organization (WTO) policies.

"The administration will employ all available programs to help SMCs compete in international markets," he said in a breakfast meeting with representatives of SMCs, organized by the Korea Foreign Trade Association (KFTA).

In order to facilitate SMCs' efforts, the administration will provide tax and financial breaks along other advantages, he said in the meeting held at the Korea World Trade Center in southern Seoul.

The SMBA will also sign more contracts to prevent double taxation and give more guarantees on overseas investments by SMCs, said Yi.

To accomplish this goal, the administration will closely consult with the Korea Trade-investment Promotion Agency (KOTRA) so that KOTRA's overseas trade centers can be utilized as branch offices of the SMCs.

The administration will hold 51 overseas exhibitions in a bid to advertise SMCs' products and strengthen sales activities in foreign markets, Yi said.

Five sales outlets, in addition to the current six, will open in foreign countries this year for SMCs to set up marketing networks all over the world, he said.

Two hundred promising companies with relatively highly competitive products will additionally be advertised through the Internet's information network.

Big companies will be induced to advance into foreign markets jointly with the SMCs. Yi revealed that the overseas amount invested by SMCs last year reached

1.051 billion dollars, up from the previous year's amount of 864 million dollars.

Investments by SMCs have continuously increased in the past few years, but its total volume shares have decreased from 24.1 percent in 1994 to 21.4 percent in 1995.

ROK: Top Ten Corporate Taxpayers for 1995 Listed

SK0404022696 Seoul YONHAP in English
0030 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — Samsung Electronics Co. turned out to have paid the largest amount of corporate tax among listed companies last fiscal year with about 501 billion won.

In its business report for fiscal 1995 that was submitted to the Korea Stock Exchange, Samsung said that the corporate tax it paid was up 299,446 million won from the 201,585 million won it paid in 1994.

The electronics firm recorded a before-tax profit of about 3,035 billion won and a net profit of 2,505,476 million won last year.

The Korea Electric Power Corp. (KEPCO) ranked second in the amount of corporate tax paid last year with 359,326 million won, down 47,547 million won from the previous year.

Ranking third was Pohang Iron and Steel Co., which paid 181,271 million won.

Korea Mobile Telecom followed with 91,679 million won, followed by Hyundai Motors with 55,625 million won, Ssangyong Oil Refinery with 54,518 million won, and Daewoo Securities with 38,861 million won.

Rounding out the top 10 tax payers were Korean Air with 35,505 million won, Yukong with 32,023 million won, and Daelim Industrial Co. Ltd. with 31,192 million won.

ROK: KBS Union Threatens Strike if Police Intervene in MBC

SK0404020096 Seoul YONHAP in English
0133 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — The trade union of the Korea Broadcasting System (KBS) threatened Thursday to go on strike if the government uses police to break up the ongoing strike of the trade union of the Munhwa Broadcasting Corp. (MBC).

About 85 percent or 3,800 KBS union members participated in the vote, with 72 percent of them or 2,746 members voting in favor of the proposed strike.

Unionists at MBC in Seoul began their strike March 14 as a protest against the reappointment of Kang Song-ku as the network's president.

They are accusing Kang of using his position to broadcast biased reports in favor of the ruling camp, adding that the MBC Board of Directors is being influenced by President Kim Yong-sam.

The KBS Union said it would cooperate with the unions of Christian Broadcasting System (CBS) and Education Broadcasting System (EBS) in the event of a strike.

The organizing committee for a "unified broadcast trade union," comprised of union representatives from KBS, MBC, CBS and EBS, issued a joint resolution March 21 that said they would vote to determine whether or not they would join the MBC strike.

Unions from CBS and EBS have already voted in favor of the conditional strike.

The committee is blaming the government of oppressing broadcast companies through the reappointments of the presidents of KBS and MBC, whom the committee claims have used their positions to broadcast biased reports in favor of the ruling camp.

ROK: MBC Union To Conclude Strike if Kang Resigns as President

SK0404085696 Seoul YONHAP in English
0736 GMT 4 Apr 96

[FBIS Transcribed Text] Seoul, April 4 (YONHAP) — The Trade Union of Munhwa Broadcasting Corp. (MBC) decided Thursday to stop their three-week strike and return to work at 5:00 AM Saturday (2000 GMT 5 April), on condition that MBC President Kang Song-ku resigns after next Thursday's general elections.

"We discussed with the foundation for the broadcast culture, which reelected Kang as MBC president, about Kang's resignation, and decided to stop our strike on condition that Kang resigns after the April 11 elections," the Emergency Committee of the MBC Trade Union said.

Unionists at MBC in Seoul began their strike March 14 as a protest against Kang's reappointment as the network's president. They are claiming that Kang has used his influence to broadcast biased news reports that favor the ruling party.

Burma

Burma: NLD Chairman Protests 'Lawless' SLORC
BK0404032996 (Internet) BurmaNet News in English
3 Apr 96

[Official translation of the protest letter by NLD against lawless proceedings of the SLORC; dated 28 March 1996]

[FBIS Transcribed Text] Senior General Than Shwe, chairman, State Law and Order Restoration Council:

Date: 28 March 1996

Subject matter: Protest against lawless proceedings:

1. The primary political objectives of the State Law and Order Restoration Council include the "prevalence of law and order." However with regard to members of the National League for Democracy (NLD) and to those associated with the NLD, it can be seen that the actions of the authorities are not in accordance with the laws in fact they are consistently of a lawless nature.

2. The following illustrate some lawless proceedings. (Details can be found in the attached appendix.)

(A) With regard to an incident of 18-11-95, three people including U Thein Nyunt of the NLD, were charged with obstructing an official in the performance of his duties. Without adequate evidence each of the defendant were meted out prison sentences of two years, the maximum penalty allowable under the offense with which they were charged.

(b) On 6-11-95, Ko Khin Tun who was in charge of the youth wing of the Pegu Division NLD was arrested. From the time of his arrest until his trial was allowed no legal defense of any kind. Moreover he received a heavy prison sentence of four years and three months.

(c) On 10-1-96 four people, including the comedian from Mandalay, U Par Par Lay, were arrested. The four were subsequently charged and during their trial on 18-3-96 no defense lawyers were allowed to be present. The defendants were summarily sentenced to 7 years imprisonment each. The lack of justice in the conduct of this case is made particularly obvious by the fact that obstacles were created to prevent U Kyi Maung, U Tin U, Daw Aung San Suu Kyi and U Win Htain from going to Mandalay to appear as witnesses for the defense. Such conduct constitutes violation of individual rights, it is dishonorable and moreover it is contrary to the law.

(d) Twenty-eight men including U Win Tin, who are currently serving long prison sentences in Insein Jail, have been charged with committing additional offenses while in prison and trials have been conducted within

the jail precincts since November. To this day it has not been permitted to provide the defendants with legal assistance.

(e) U Saw Hlaing who was involved in a motor accident near Toungoo during the early morning of 15-3-96 was not only denied access to legal assistance, he was summarily tried within the precincts of Kyungon police station in a way contrary to existing laws and given the maximum penalty of 5 years imprisonment. It should be noted that the section under which he was charged does not in fact apply to his case but was deliberately chosen for the heavy penalty it entailed.

Appendix (subhead)

The case of the three including U Thein Nyunt

The defendants were accused of trying to remove barbed wire barricades placed to regulate traffic in front of Daw Aung San Suu Kyi's house on 18-11-95 and charged under section 353, obstructing a public servant in the performance of the duties. Although the evidence of the witnesses for the persecution made it clear that the said section of the law was not applicable in this case, U Thein Nyunt, Ko Toe Aung and Ko Myo Zaw were each given the maximum penalty of 2 years imprisonment.

The case of Ko Khin Tun (NLD Youth)

Ko Khin Htun was arrested on 6-11-95. On going to visit a friend serving a sentence in Insein jail, he had taken a photograph of the said friend whom he saw laboring at a vegetable plot outside the jail compound. He was charged under section 5 (d) and section 42 (Prison Regulations Act). He was not allowed any contact with his family. Although he asked for the services of a lawyer from the time he was first tried his request was not granted. Only 70 days later, on 17-1-96, the last day of his trial, was he permitted the services of a lawyer. On that day, the crucial evidence, the film concerned, could not be produced. Nor was the member of the prison staff who was the principal witness for the prosecution present for cross examination. Further, Ko Khin Htun was not given adequate opportunity to defend himself. He was sentenced to 4 years and 3 months imprisonment.

The case of the four including U Par Par Lay

U Par Par Lay was one of the entertainers in the "Myodaw Win Mar Dance Troupe" which performed at the Independence ceremony held within the precincts of Daw Aung San Suu Kyi's home. U Par Par Lay and U Lu Zaw were accused of inciting the audience to unseemly behavior and harming state security by word and action and charged under section 5(c); while

U Htway and U Aung Soe who had helped the dance troupe were charged under section 109. On the last day when the defendants should have been produced at court, they were not taken to the court where the trial had been taking place. They were tried within the prison and each of the defendants were sentenced to 7 years imprisonment. No defense lawyer was allowed to be present when sentence was passed. Moreover, the fact that obstacles were created to prevent Daw Aung San Suu Kyi and other defense witnesses who would have been able to give evidence on the true situation (as prevailed during the Independence Day ceremony); and that some who should have been codefendants were used as (prosecution) witnesses makes it very clear that the proceedings were wrongfully conducted under the law.

Political prisoners

Among the hundreds of long-term political prisoners, twenty-eight, including U Win Tin, Secretary of the NLD are in the process of being retried on the accusation that they had contravened jail regulations. During the second week of November they were transferred to police dog cells as a form of punishment and they have been deprived of their right to receive visitors. Some have been allowed to receive food parcels but they were not allowed to see their families. Although it is known that the trials are in process and attempts have been made to provide legal assistance, it has not been permitted to provide such assistance. On 26-2-96, the families of the prisoners wrote to members of government, to the chief justice and to the attorney general asking to be allowed to provide lawyers for the defense but there has been no change in the situation.

The motor accident of U Saw Hlaing

At 3 a.m. on the morning of 15-3-96, the Toyota van driven by U Saw Hlaing ran into a trishaw pedaled by Ko San Win, carrying Maung Hla Soe and Maung Thein Naing. The trishaw was slightly damaged and its passengers received bruises and minor injuries. U Saw Hlaing was accompanied by Ko Saw Ne Win. In another car were U Ba Soe Tint and Ko Soe Win. All four were coming back from Mandalay. They had gone ahead to make necessary preparations for Daw Aung San Suu Kyi's proposed trip to Mandalay and they were on the way back (to Rangoon) because the trip had been canceled due to the interference of the authorities. U Saw Hlaing and the companions carried out fully the duties required of them: taking the injured people to (the local) hospital for medical treatment, reporting the accident at the police station and informing the families (of the trishaw passengers) of what had happened. While the police were in process of preparing

the case as one involving simple injury the whole situation changed due to perceptible pressure exerted from higher authorities. An attempt was even made to arrest both passengers traveling in the car involved in the accident as well as the two in the accompanying car, but due to the refusal of U Ba Soe Tint and others to submit to such illegal proceedings, and to the police officers' decision to act in accordance with the law, only U Saw Hlaing was placed under arrest. On 18-3-96, U Saw Hlaing's family and lawyers tried to get bail and to provide the defendant with legal assistance. However they were not permitted either to contact him or to accompany him (to court). U Saw Hlaing was not tried in Toungoo jail. Against all legal precedent he was taken to the Kyaungon police station, summarily tried and sentenced to 5 years imprisonment. He was charged under section 338 (grievous injury) and the three witnesses (the passengers of the trishaw) were forbidden to leave the hospital. One of the witnesses had dislocated a thumb, another had cut his chin and received two stitches. When U Saw Hlaing's family went to the Kyaungon police station because they had heard he was to be tried there, those on duty (at the station) deceitfully denied that the trial was going to take place.

I would like to present a case which provides a glaring contrast with the above. It relates to a motor accident which took place on 6-3-94. On that day a medical student named Maung Tut Kyaw Win driving down the Prome Road in a Mazda 929 ran over a university student. Tut Kyaw Win was the son of a senior officer of the armed forces and the victim was Maung Ye Win, a final year student from the Institute of Economics. Maung Ye Win died of his injuries in hospital. As the authorities are already aware, Tut Kyaw Win was released from prison within a few weeks. It has also been heard that during his sojourn in jail he was provided with full facilities to enable him to take the annual medical college examinations.

3. From studying the cases mentioned above it can be seen that the authorities at various levels are perpetrating many lawless acts. The NLD regards as its national duty to protest against such lawless proceedings. It is only if there is legality before the law can there be genuine progress on the political, economic and social fronts.

4. Therefore we urged the chairman of the SLORC, which has assumed all state responsibilities, to bring to light all lawless conduct occurring throughout the nation and to effect rectification as soon as possible.

Signed: Aung Shwe, chairman of the NLD.

Brunei, Malaysia & Singapore
Malaysia

Malaysia: Mahathir on U.S. Foreign Trade Barriers Report

BK0404074696 Kuala Lumpur THE STAR in English 4 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia will retaliate against the United States if it takes action against Malaysia for allegedly imposing trade barriers on U.S. imports, Datuk Sri Dr. Mahathir Mohamed said yesterday.

The Prime Minister said the Government would wait and see whether there was any need for action.

"If the United States only says there are trade barriers but does not take action, that is okay.

"But if they say they are going to take action against us, then we too will have to take action against them," he told reporters after bidding farewell to Papua New Guinea Prime Minister Sir Julius Chan.

The Clinton administration released an annual report of foreign trade barriers on imports yesterday and Malaysia was named as one of 40 countries which imposed barriers on U.S. imports.

On the Papua New Guinea (PNG) leader's visit to the country, Dr. Mahathir said there were potential to be explored by both sides.

Sir Julius had called on Malaysian investors to play a more prominent role in trade in the South Pacific.

To a question, Dr. Mahathir said the two leaders did not discuss the issue of Malaysian companies logging in PNG but was confident that the "little problems" of the past could be resolved.

Last year, the Australian media and some PNG non-governmental organisations had claimed that Malaysian companies were irresponsibly logging and "raping" PNG forests without any regard for the environment.

Malaysia: Mahathir Addresses Dinner in Honor of PNG Premier

BK0404074096 Kuala Lumpur THE STAR in English 3 Apr 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia welcomes Papua New Guinea's (PNG) efforts to bring the small island nations of the South Pacific closer to

the Southeast Asian region, in particular ASEAN, Prime Minister Datuk Sri Dr. Mahathir Mohamed said last night.

Malaysia also trusted that it would bring benefits to both sides as the potential for co-operation between Southeast Asia and the South Pacific region was extremely good, he added.

Malaysia was encouraged by the positive response from Papua New Guinea and other island nations of the South Pacific, he said, noting that Papua New Guinea's "Look North" policy was a source of great encouragement.

"The best evidence of the co-operation is the estimated 3,000 Malaysians who now live and work in the South Pacific island nations, especially in Papua New Guinea," he said at a dinner in honour of the visiting Papua New Guinea Prime Minister, Sir Julius Chan, at Seri Perdana [prime minister's residence] here.

Sir Julius is here on a six-day official visit, accompanied by his wife Lady Stella and a 60-member delegation of government officials and businessmen.

Dr. Mahathir said the co-operation was a tangible manifestation of South-South co-operation and of the entrepreneurial spirit of the Malaysian corporate sector.

Dr. Mahathir hoped the participation of Malaysian entrepreneurs in Papua New Guinea's development and the assistance offered under the Malaysian Technical Co-operation Programme would be useful in meeting the requirements of the Papua New Guinea Government.

Malaysia: Commentary Views Economic Cooperation With PNG

BK0304135496 Kuala Lumpur Voice of Malaysia in English 0810 GMT 3 Apr 96

[Station Commentary]

[FBIS Transcribed Text] Papua New Guinea (PNG), sandwiched between Indonesia and Australia, is one of the several developing states in South Pacific. In recent years, it has certainly attracted trade and investment from elsewhere around the Pacific rim, particularly Taiwan, South Korea, Singapore, and Malaysia.

There are about 65 Malaysian companies operating in Papua New Guinea with investment totalling about half a billion U.S. dollars. Two-way trade increased three fold between 1991 and 1994 to reach almost U.S. \$100 million. Most of the trade is in favor of Papua New Guinea. The main component of both trade and investment is timber. About 35 percent of Malaysian investment in Papua New Guinea is in the forestry

sector. Sawn timber makes up the bulk of Malaysia's imports from Papua New Guinea.

In this context of Malaysia's relations with Papua New Guinea and the rest of the South Pacific, the current visit to Malaysia by the prime minister of Papua New Guinea, Sir Julius Chan, takes some added significance.

The natural resources of this South Pacific state, especially timber, have always been a great attraction for foreign investors and businessmen. And the success of Malaysian entrepreneurs in gaining a quite sizable chunk of the forestry sector in the South Pacific has caused much envy among other foreign players. So it is only to be expected that there would be some bad mouthing about the Malaysians.

Malaysia has always promoted the belief that helping neighboring countries develop and become prosperous is a [?winning] situation for all because everyone gains from the improved prosperity. There will be more trade, more business to be done. There will be more money moving around. The countries will become more stable as their people gain from the greater prosperity that will foster peace and stability in the region.

Towards this end, both government and business in Malaysia are working together as Malaysia climbs higher up the industrialization ladder, the industries at the lower end are being siphoned off to other less developed countries. This is nothing new. The United States, Europe, Japan, and the rest of the developed world have been doing this.

[Word indistinct] in the Malaysian case is the strong government support that comes along with it. The Malaysian companies that venture abroad, especially to other developing countries, are implementing the policy of self-help among the South countries, or these countries helping each other to come up.

Sir Julius, during his current six-day visit to Malaysia is seeing for himself the sort of help Malaysia is willing to offer. On his first day in Malaysia he visited the world-famous Forest Research Institute of Malaysia which spearheads development in technology and skills in the forestry sector. Sir Julius said, after the visit, that he is impressed with Malaysia's efforts in forestry particularly the application of technology to add value to timber products. He said Papua New Guinea would like to borrow Malaysia's expertise in this area, but he felt this should not be a problem because both countries already have an umbrella arrangement and various bilateral agreements to facilitate this.

There is also more sharing of information and research between the two countries. After a meeting with Malaysian Prime Minister Dr. Mahathir Mohamed, Sir

Julius invited Malaysian investment in not only forestry but also oil and gas, minerals, and agriculture. He said Papua New Guinea needs Malaysian investment, experience, and training assistance. He regards Malaysia as a model worth emulating where development is concerned. Possibly the current visit will be an eye opener for Sir Julius and his delegation of 16 officials on the fact that business ventures are not at all exploitative in nature that there is much good to be derived from promoting business relations.

Cambodia

Cambodia: Sihanouk Denies Playing 'Political Chess' With Hun Sen

BK0404051296 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 4 Apr 96 p 6

[Report by Miss Thmar Da]

[FBIS Translated Text] His Majesty King Norodom Sihanouk of Cambodia has reacted angrily to a report by a foreign newspaper, which he did not identify, that has published an exaggerated and false report that he and Samdech Hun Sen are opposed to each other and are skillfully competing at political chess.

The king said in his 1 April clarification statement that a foreign newspaper had written in a recently published article that "His Excellency Hun Sen and I are opposed to each other..., that I am very talented politically..., and that Samdech Hun Sen and I are remarkably skillful (sic) chess players.

The king said critically: "I already know that, above all, journalists like to exaggerate to attract attention and say things that are not objective and untrue.... If I am against my colleague, in particular my prime minister..., I am not worthy to be a king or a father of the Cambodian nation and people."

It is still unknown what the newspaper has exaggerated with regard to the king. According to His Majesty Norodom Sihanouk, however, it might have made comments on his political actions. The king clarified: "I have never maneuvered politically In my capacity as a king, I have never allowed myself to become entangled in the political affairs of any government or political party."

The Cambodian king recently proposed a "roundtable" formula to the two major political parties — the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the Cambodian People's Party [CPP] — which became engaged in a serious conflict over the problem of sharing power in the civilian administration. FUNCINPEC

threatened to pull out of the coalition government, then dissolved the National Assembly and reorganized elections.

The king recalled that the roundtable was only aimed at reconciling the two major parties so they could lead the government until the end of its term, but it was not meddling in government affairs.

Probably because of this issue, the foreign newspaper said critically that it was a political maneuver in a chess game being played by Samdech Hun Sen and the king.

Commenting on the report by the foreign newspaper that the king has appointed Prince Krompreah Norodom Ranariddh his successor to the throne, His Majesty Norodom Sihanouk restated: "I have not appointed Prince Krompreah Norodom Ranariddh my successor to the throne. Only the Throne Council is entitled to elect a new king after my death." The king added: "I have repeatedly said on many occasions that I have never acted on behalf of the Throne Council in the process of selecting a new king to replace me."

His Majesty King Norodom Sihanouk has always supported freedom of the press. The king has never sued them, even though some newspapers have criticized, exaggerated, or hurled abuses at him. He always forgives them for actions considered lese majesty by the Constitution.

Cambodia: Hun Sen Vows Not To Sue Opposition Parties, Papers

*BK0404112296 Phnom Penh National Radio w/
Cambodia Network in Cambodian
0500 GMT 4 Apr 96*

[Speech by Second Prime Minister Hun Sen at the inauguration of the Hun Sen primary school in Slaket commune, Kien Svay District, Kandal Province, on 4 Apr — recorded]

[FBIS Translated Excerpt] [passage omitted] Availing myself of this opportunity, I would also like to reverently thank their majesties the king and supreme queen for having sent, through Deputy Prime Minister Kong Sam-ol, a greetings card and present to me. I also thank the king for having cared for his children throughout the country, including my wife and myself. It is a great honor for me to have followed his majesty in the national liberation struggle since 1970, and to have joined the FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) and other political parties to reestablish constitutional monarchy, which was illegally deposed in 1970. I would also like to wish the king and supreme queen longevity,

so that they can remain the cool shade for their children and grandchildren all over the Kingdom of Cambodia.

I would also like to thank Samdech Chea Sim and his wife and Samdech Heng Samrin and his wife for their birthday greetings, for having constantly provided me with advice and instruction over the past 17 years, and for having attentively cared for me. The two are leaders whom I should be most obligated to. They have always given instruction, advice, and new ideas to me and supported me in my task to ensure the security of the Cambodian people.

On this occasion, I also wish to thank Prince Krompreah Norodom Ranariddh and the princess for having sent a greeting card to me and wife on my birthday and for cooperating with me, gladly and wholeheartedly, for nearly three years, since the talks on the Paris accord, to bring peace and prosperity to the Cambodian people. [passage omitted]

Availing myself of this opportunity, I would also like to thank the bloody opposition parties and journalists who are relentlessly against me. I should thank them, because as a result of their insults and curses, I have stepped forward more assertively for the national construction. Actually, if I am not insulted, I will still do my job. However, if I am insulted more bitinglly, I will run faster to expand development. I wish to appeal to those politicians and journalists to intensify, from today on, their insults at me so that I can jump farther.

Those insults have brought to the fore the historic truth of my activities to the people's heart. They have also made various companies pity me and to bring me large sums of money for development. If I am not insulted, the companies will probably not donate such huge sums of money. So, please insult me more. I wish to solemnly announce that from this hour, I will not sue anyone for whatever insults they bark at me. I have been called a dog, a cat, and so on. So, nothing else will offend me. Therefore, you are free to insult me, and I will not sue you from this hour onward.

This is how Hun Sen will act. However, it is up to the government's lawyer in the case of the government. Hun Sen will restrain himself from taking legal action. You are free to bark out your insults at me.

Actually, people will not believe everything in the newspapers. I wish to thank the bloody opposition newspapers. They are free to continue.

Some insults of the newspapers are somewhat right. They are not wrong 100 percent. About one percent can be correct. Sometimes, their insults at the irregularities committed by low-ranking officials can help those of

us at the top to see what is wrong. Therefore, I wish to say thank you very much.

From this hour on, I will have nothing to do with my opponents. I only ask them not to stage a coup d'etat [applause] or to resort to assassination attempts. Hun Sen's hands are soft, but they will become iron fists when they are used. So, please do not stage a coup d'etat. This will never be allowed.

A French newspaper has belittled me as a power-grabber who knows how to use the administrative apparatus perfectly. I said to myself this is praise. If one knows how to use the administrative apparatus, he is not a mediocre person. The newspaper also said that I grabbed power with an iron fist. If a coup d'etat is allowed, will people not be killed? So iron fists need to be used. My hands are soft, but if necessary, they will become hard. So, please never embark on a coup d'etat or an assassination attempt. Assassinations are not good deeds. If you want to win, you do not need to resort to assassinations. [passage omitted]

I would also like to ask opposition political parties to forgive me for not being able to do what they want. You demand for the dissolution of the Constitution or something else. However, I cannot satisfy your desire. I ask you to forgive me for my inability to do what you want. I am sorry. [passage omitted]

Cambodia: FUNCINPEC Blamed for Power-Sharing Implementation Delay

BK0304131296 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 3 Apr 96 pp 1, 8

[Report by Seiha]

[FBIS Translated Text] If a profound analysis is not conducted, it can easily be seen that Prince Krompreah Norodom Ranariddh's statement on the possible withdrawal of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party from the Royal Government [RG] is caused by a delay by the Cambodian People's Party [CPP] in implementing power-sharing at the district level which the prince Krompreah [Norodom Ranariddh] has called a mistake on the part of the CPP. The CPP has, however, announced in its 26 March memorandum that it is prepared to implement the power-sharing agreement, but FUNCINPEC has not forwarded a namelist of district officials yet. For this reason, the CPP has decided to halt discussion on the power-sharing issue.

If the reason given by FUNCINPEC is taken into account, it is apparently very easy to identify the source of the mistake and find ways to solve the problem.

The key institution responsible for power-sharing arrangements at the district levels is the Interior Ministry. In view of official correspondence between FUNCINPEC and the CPP, watchers have focused attention on Yu Hokkri, the co-interior minister from the FUNCINPEC party.

A senior FUNCINPEC official has told REAKSMEI KAMPUCHEA that FUNCINPEC has handed over the task of compiling a namelist of district governors to three officials, namely [Co-Minister of National Defense] Tea Chamrat, [Phnom Penh Governor] Chhim Siekleng, and Co-Interior Minister Yu Hokkri. The latter has told REAKSMEI KAMPUCHEA that he has basically counted on Tea Chamrat and Chhim Siekleng to arrange the district governors' namelist since the two know FUNCINPEC resistance members better than he does.

At a midday meeting at Cambodiana Hotel on 29 March, Yu Hokkri maintained that he had already compiled a namelist of district officials by arranging seven FUNCINPEC officials for each district. He also presented several lists that he had signed on the basis of consensus with the CPP representative, State Secretary for Interior Im Chhunlim, due to the absence of Co-Interior Minister Sar Kheng. Yu Hokkri reaffirmed that seven FUNCINPEC officials for each district were on the namelist of FUNCINPEC officials assigned to district positions. Among the seven assigned officials, he added, the official whose name appears at the top of the list is the person to be appointed governor in the district that is given to FUNCINPEC.

An expert Interior Ministry official has rejected Yu Hokkri's above-mentioned confirmation. Speaking to REAKSMEI KAMPUCHEA on 1 April, the official said "no namelist had been put forward in the past" and that what Yu Hokkri referred to was "a namelist of FUNCINPEC officials who should be included in the Interior Ministry."

The official further explained that the namelist mentioned by Yu Hokkri was signed on 16 February 1996 by Yu Hokkri himself and Im Chhunlim. It was a namelist of the to-be-incorporated FUNCINPEC cadres like the one being compiled by other institutions. He recalled: According to an agreement, FUNCINPEC should forward 4,183 of its cadres to the Interior Ministry. Somehow, since the number was too high, the ministry proposed that other ministries absorb some of the cadres. At an interministerial meeting, various ministries agreed to assist the Interior Ministry by taking in a total of 1,650 FUNCINPEC cadres. Therefore, the Interior Ministry still had to accept over 2,500 cadres. In August 1995,

over 800 FUNCINPEC cadres were incorporated and assigned to work in various provinces and cities.

The official also said that communique No. 148 jointly signed by Yu Hokkri and Im Chhunlim on 16 February 1996 and cited by the former as the namelist of FUNCINPEC district officials was indeed a list of nearly 2,000 FUNCINPEC members among the 4,183 FUNCINPEC cadres to be incorporated in the Interior Ministry. Those FUNCINPEC members should report to the 165 districts throughout the country.

According to the above communique, those who are assigned to the 165 districts should complete their employment formalities between 25 February and 25 March at the latest. Nevertheless, considering that time is short, provinces and cities have proposed extending the deadline until 30 March 1996. The Interior Ministry's expert official further said that even though the date was fixed, only three provinces — Banteay Meanchey, Prey Veng, and Svay Rieng — had completed all formalities by 1 April.

Analysts said that even if the namelist of district officials presented by Yu Hokkri is genuine, there is still nothing wrong because the date mentioned in communique No. 148 was not until 30 March 1996. Nevertheless, only three provinces had apparently completed formalities by 1 April. As such, why did FUNCINPEC need to raise the district power-sharing issue at its 21-22 March congress as a pretext for pulling out of the RG when the date for completion of formalities had not yet lapsed.

Some talked about other deep-rooted causes aside from the district power-sharing problem which has prompted the prince krompreah to issue a "threat" of withdrawal from the RG. All in all, there is insufficient reason for analyzing other causes deeper than the one concerning the district power-sharing problem. It does not, however, appear difficult to find the truth behind the district power-sharing issue.

Cambodia: Government Forces 'Surrounding' Pailin City

BK0404065696 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 4 Apr 96 pp 1, 4

[Report by Peyatro]

[FBIS Translated Text] According to a report from Battambang Province, government forces have already reached the Pailin region but have not captured the city yet. They are currently surrounding it.

The report received on 2 April added that almost all of the Khmer Rouge rebel troops have already withdrawn from the city, but they have laid mines and punji stakes

everywhere, making the government forces hesitate to capture the town immediately.

General Preap Tan, chief of the Khmer Royal Armed Forces (KRAF) General Staff's 5th Department, told REAKSMEI KAMPUCHEA on 2 April that "the government troops do not want to do anything that can alert the Khmer Rouge. We will make them collapse completely; we will prevent them from launching a counterattack against us after we enter the city."

The general added that there are not many Khmer Rouge troops actually in the Pailin region; they withdrew after they were attacked repeatedly by KRAF soldiers. The government forces need, however, to be strengthened, along with the development of areas we have captured gradually.

According to military reports REAKSMEI KAMPUCHEA received by the end of March and in early April, 66 rebel soldiers and 39 government troops were wounded in the recent clashes. The reports added that the KRAF, which has already entered the vicinity of Pailin City, will seize the entire town at a designated time.

Indonesia

Indonesia: Alatas Holds Talks With Cambodia's Ing Huot

BK0304133896 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 3 Apr 96

[FBIS Translated Text] Foreign Minister Ali Alatas held talks with his Cambodian counterpart Ing Huot at the Foreign Affairs Department in Jakarta this evening. The two ministers discussed Cambodia's request to join ASEAN. Correspondent Ahmad Muslih reports:

[Begin recording] Indonesia and other ASEAN countries have welcomed Cambodia's request to join ASEAN. Foreign Minister Alatas said this at a press conference after he held talks with his Cambodian counterpart Ing Huot this evening. During the talks, the Cambodian foreign minister submitted an official request for his country to join ASEAN. Alatas said ASEAN will decide on Cambodia's request at its ministerial meeting in July. Cambodia, along with Laos, will officially join ASEAN effective July next year. [end recording]

Indonesia: Establishment of Indian Ocean Forum Supported

BK0404063496 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Apr 96

[Station commentary]

[FBIS Translated Text] Indonesia fully supports and is determined to ensure the success of the Indian Ocean Rim Initiative [preceding four words in English], or IORI for short. President Suharto expressed Indonesia's support when he received Louis Steven Abeegadoo, special envoy of the Government of the Republic of Mauritius and minister of fisheries and maritime affairs [title as heard], on 2 April. The IORI was initiated by seven countries — South Africa, Kenya, Oman, India, Singapore, Australia, and Mauritius. Mozambique, Tanzania, Yemen, Madagascar, Sri Lanka, Malaysia, and Indonesia are expected to join the proposed forum soon.

We see the Indian Ocean forum as a follow-up to other regional forums — NAFTA in North America, AFTA [ASEAN Free Trade Area] in ASEAN, APEC [Asia-Pacific Economic Cooperation] in the Pacific, and Asia-Europe meetings, which focus on economic and trade cooperation in the world where interdependence among countries has become inevitable. There is a question over how to avoid the overlapping or conflict of interests. An interesting feature of the IORI will be the participation of governments, business circles, and academics in the forum. Some even think that the IORI could become an umbrella of all the existing regional cooperation forums. Thus, Indonesia's entry will enhance our interests in the vast Indian Ocean, the potential of which has not been fully tapped.

Of course, the government's move and thoughts are consistent with our country's (basic policy). Since the new order government came to power, economic and trade interests have become the foundation of Indonesia's diplomacy in order to realize a more fair and more balanced new world order. Experience has proven strongly that political differences can be overcome through economic and trade cooperation. Basically, Indonesia has taken advantage of its involvement in various regional forums to achieve new breakthroughs. The Indian Ocean is a part of the world that is marked strongly by different political and economic systems as well as by different levels of economic and trade development. The Indonesian Government, business circles, and academics need to give priority to the Indian Ocean.

Laos**Laos: First 1996 Border Meeting Held With Thailand 30 Mar**

BK0304121096 Vientiane Vithayou Hengsat Radio Network in Lao 0000 GMT 2 Apr 96

[FBIS Translated Text] In accordance with a memorandum to hold meetings signed between Lao and Thai general border peacekeeping cooperation subcommittees in Vientiane, capital of the Lao People's Democratic Republic (LPDR), on 4 December 1995, the first meeting for 1996 between the Lao-Thai and Thai-Lao general border peacekeeping cooperation subcommittees was officially held at Wangkham hotel in Chiang Rai Province, the Kingdom of Thailand, on 30 March 1996. The meeting was cochaired by Brigadier General Douangchai Phichit, acting commander of the General Staff Department of the Lao People's Army and chairman of the Lao-Thai General Border Peacekeeping Cooperation Subcommittee, and Lieutenant General Phiroit Nutsaya, director general of the Military Operation Department under the Armed Forces Supreme Command and chairman of the Thai-Lao General Border Peacekeeping Cooperation Subcommittee.

The meeting concluded that over the past three months, relations between Laos and Thailand have been developing favorably at all levels. During that period, the two sides appointed representatives, ranging from the government down to local levels, to regularly hold discussions, jointly carry out inspection activities in border areas, and exchange visits and field trips. Structures from both sides at all levels in charge of cooperating to maintain peace and order along the border held consultations and coordinated on working in an atmosphere of good mutual understanding. In general, the situation along the border was peaceful. However, peace was still not maintained in certain areas. Such a situation resulted from activities continually carried out to create disturbances by certain ill-intentioned elements who are still hiding in border areas, in particular in areas bordering Thailand's Chiang Kham District of Phayao Province, Thoeng and Viang Kae districts of Chiang Rai Province, and Laos' Khok District of Sayaboury Province and Phaktha District of Boleo Province. In view of this, both sides have agreed to cooperate in boosting and enabling their local structures to regularly hold meetings to discuss and institute drastic measures to check the ill-intentioned elements and solve problems arising from their activities.

The meeting participants also unanimously agreed to cooperate in inspecting border areas and the adjoining area in Laos' Boleo District, Sayaboury Province, and Thailand's Chat Trakan District, Phitsanulok Province, where military forces from both sides are stationed.

Inspections will take place between May and July 1996. Details about the dates, times, and methods of inspection will be discussed by the two sides later. Following the meeting, the two cochairmen jointly signed a memorandum on the outcome of the meeting. The memorandum will be used as a basis for a second meeting for 1996 of the Lao-Thai and Thai-Lao general border peacekeeping cooperation subcommittees. The second meeting is scheduled to be held in the LPDR in late June 1996, with the date, time, and place to be determined at a later time.

Thailand

Prime Minister Asks U.S. To Consider GSP on 4 Thai Goods

BK0404043196 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 3 Apr 96

[FBIS Translated Text] The prime minister has asked the United States to consider the Generalized System of Preferences [GSP] for Thailand on four Thai goods that have remained on the U.S. blacklist.

Prime Minister Banhan Sinlapa-acha made this request to the United States through U.S. Ambassador to Thailand William H. Itoh, who paid a courtesy call at Government House yesterday.

[Begin recording] [Banhan, in progress] ... the issues of narcotics suppression, intellectual property, as well as other issues that we must keep an eye on.

[Unidentified correspondent] Is not the U.S. still putting pressure on us all the time, as though we are not its old friend?

[Banhan] I discussed several issues with the ambassador just a moment ago. I also asked him to propose to U.S. authorities to give consideration to the matter that GSP has not been granted to four Thai goods. [end recording]

Thailand: Mechanisms for Economic Cooperation Sought With Russia

BK0404051496 Bangkok THAILAND TIMES in English 4 Apr 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Russia and Thailand are seeking ways to establish a Russian-Thai Joint Committee to boost economic cooperation, the Foreign Ministry reported yesterday.

The report said Russian Deputy Foreign Minister Alexander Panov will arrive in Bangkok today to discuss diplomatic mechanisms for economic cooperation.

Panov will meet Foreign Ministry's Permanent Secretary Thep Thewakun on Friday and discuss how to es-

tablish the Russian-Thai Joint Committee at the deputy foreign ministerial level.

The joint committee will be responsible for all Thai-Russian cooperation, particularly on trade, investment, and economic cooperation.

The report said that the first Russian-Thai Joint Committee will be based in Bangkok. Both countries' representatives will also talk about developments in the Asia-Pacific and the Association of Southeast Asian Nations (ASEAN).

Thailand: Cambodian Foreign Minister Arrives for Visit

BK0404052096 Bangkok THAILAND TIMES in English 4 Apr 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Cambodian Foreign Minister Ing Huot arrived in Bangkok yesterday for a three-day official visit to Thailand and to practice golf, said Foreign Minister Kasemsamoson Kasemsi.

The Cambodian foreign minister who will be in Thailand on April 3-5 will meet with Prime Minister Banhan Sinlapa-acha and his Thai counterpart.

He has free time on Friday which would enable him to join in golf practice and leave for Phnom Penh later, said Kasemsamoson.

"Ing Huot said he would like to practice golf in Thailand (during his three-day official visit) and he has been practicing golf," Kasemsamoson said.

The golf course as well as the dinner table has been a traditional venue for seeking consensus among the ASEAN governments.

The Cambodian foreign minister officially handed application for ASEAN (Association of Southeast Asian Nations) full membership to his Indonesian counterpart Ali Alatas, who is ASEAN's deputy secretary, in Jakarta yesterday before he left for Thailand.

Kasemsamoson said he is very glad of this new development.

Cambodia will be ASEAN's ninth member and this leaves Burma as the only country in the region that is not an ASEAN member or trying to become one.

Laos applied last week to join ASEAN, a 29-year-old group that is becoming increasingly important as a trade and political forum in a region with one of the world's highest rates of economic growth.

Began in 1967, partly to stem the spread of communism, ASEAN admitted Vietnam last year as its first Communist member. The other ASEAN members are Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand.

Cambodia already has observer status in the group.

Ing Huot said that Cambodia's full membership would help the country emerge from its international isolation.

Alatas said Laos and Cambodia would be admitted next year.

"Since the very beginning, it has been a dream that one day ASEAN would encompass all the nations in Southeast Asia," he said.

Thailand: Girl Wounded by Fighting on Border With Cambodia

*BK0404043996 Bangkok THAILAND TIMES
in English 4 Apr 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Sa Kaeo: A Thai girl was injured and several houses were devastated in this border province after artillery shells of Cambodian troops landed on Thai soil during a two-day heavy fighting between the government and Khmer Rouge, said a Thai ranger officer yesterday.

Maj Montri Pathangkasa, 11023 Ranger Unit commander, said a house in Ban Thung Ruang Thong, Aranyaprathet district, Sa Kaeo was totally damaged when artillery shells of Cambodian troops fell on Thai territory.

Cambodian forces bombarded Khmer Rouge (KR) guerrillas with 107 millimeter missiles during a clash at Death Tiger camp, a KR base opposite Sa Kaeo province.

The Khmer Rouge returned fire with RPG missiles in an attack which lasted for about thirty minutes, Montri said.

Montri also said that on Tuesday, Cambodian troops fired three 122-millimeter artillery shells into Thai territory which placed two houses in Ban Mai Pak Hong in the same province on fire. One of the houses was a state house for teachers valued at 50,000 baht.

The incident also left a 12-year-old girl in Ban Mai Pak Hong wounded when she was hit by a shrapnel from artillery shells. The left side of the girl's body was completely burned.

Thailand: More Naval Drills With Singapore Planned

*BK0404065296 Bangkok BANGKOK POST
in English 4 Apr 96 p 3*

[Unattributed report]

[FBIS Transcribed Text] The Thai and Singaporean navies have agreed to step up joint war drills.

The decision was reached when Navy Commander-in-Chief Admiral [Adm] Prachet Siridet met his Singaporean counterpart, Rear Admiral Kwek Siew Jin, at the Royal Thai Navy headquarters yesterday.

Currently both sides hold a military exercise once every three years.

Budgetary contributions from each side will determine how often the drills will take place, Adm Prachet said.

Joint exercises will include minesweeping training. Singapore has four new minesweepers while Thailand has two and plans to acquire two more, he said.

Thailand: Banhan Plans To Ask Military for Arms Priority List

*BK0404033896 Bangkok THE NATION in English
4 Apr 96 p A1, A3*

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha will ask the military to draw up a priority list for arms purchases as part of the administration's efforts to reduce the current account deficit, the government spokesman said yesterday.

It was an unexpected signal from the Banhan government, which has been perceived as trying to avoid upsetting the military.

"The prime minister will tell the armed forces that he wants to see them work out a priority list and buy one thing at a time according to that list," [government spokesman] Somsak Pritsanananthakun said. "In carrying out this policy, inflation and other economic variables must be taken into account."

The armed forces' plans for modernizing their forces were recently completed and submitted to the Defence Council. The Army is known to want new tanks, the Air Force F-18 jet fighters, the Navy submarines, and the Supreme Command a military satellite.

Defence Minister Gen Chawalit Yongchaiyut has pledged to keep defence spending at 2.1 per cent of the GDP. In the 1997-98 budget military spending is proposed to rise seven per cent to Bt07.6 billion. Its

share of the total budget is 11 per cent, ranking third after the Interior and Education ministries.

Chawalit has said he wants all military arms deals to be conducted through countertrade to help ease the current account deficit the country is facing.

Within the next few weeks he is expected to push for Cabinet approval for the military satellite system. The private sector would launch the satellites and lease some of the unused transponders.

The issue of arms purchases was discussed during a recent meeting of Chat Thai MPs at Banhan's residence. Somsak said participants at the meeting agreed that "the priority list" policy would significantly help reduce the country's current account deficit.

"Each arms purchase involves a huge amount of money. If we can reduce this spending, the current account deficit problem will be alleviated," the spokesman said.

Meanwhile, Navy Commander-in-Chief Prachet Siridet yesterday admitted he was not confident the Navy would get Cabinet permission to purchase two submarines, in light of the government's attempts to reduce the national deficit.

The two submarines would cost more than B20 billion.

Last year the Budget Bureau and the Chuan Likphai government rejected the proposal, arguing that taxpayers' money should be spent on more useful projects such as rural development and nationwide education.

Prachet implied yesterday that he would not forward the proposal to Defence Minister Chawalit Yongchaiyut until the Navy had a chance to see the budget allocation for 1997-98.

"There are many more procedures still ahead," he said.

Although the opposition continues to oppose the acquisition, citing inflation problems, Prachet said the Cabinet, not the opposition, had the final say.

The Banhan government faced bribery allegations at the end of last year following an article in the Swedish newspaper "Dagens Nyheter" by Henrik Westander, a weapons exports researcher.

Westander claimed that Swedish industrial group Kockums had paid considerable sums to certain members of the Chat Thai Party before last year's national election to boost its chances of winning the tender to supply submarines to the Navy.

The Swedish government later cleared Kockums of the allegation.

Thai Lower House Passes Bill To End Anticoup Laws

*BK0404052996 Bangkok THAILAND TIMES
in English 4 Apr 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Bangkok — A draft bill, which cancels coup d'etat laws in the military court concerning offenses connected to communist overthrows, passed all three readings in the Lower House yesterday.

However, the bill proposed by the Cabinet received disapproval from several opposition MPs.

Chat Phatthana MP Chamlong Krutkhunthot said it was unnecessary to abolish the laws because they have already been invalid for some time. As well communism has not been mentioned in the military for many years.

"Does the government not have jobs?" asked the Nakhon Ratchasima MP.

He said that certain academics should be blamed for drafting laws which benefit military officers who conducted coup d'etats.

Nam Thai MP Adison Phiangket said that communism is defunct in Thailand, and those who used to be communists are now MPs.

Thai Editorial Condemns SLORC's New Constitution

*BK0404100896 Bangkok BANGKOK POST
in English 4 Apr 96 p 4*

[Editorial: "Rangoon Keeps Shackles on Burmese Political Life"]

[FBIS Transcribed Text] The men who run Burma continue to set back the chances for both democracy and political peace in the country. The latest nail in the coffin of Burmese freedom is a constitution written by the military, for the military. The charter ensures the indefinite survival of a compliant, army-directed regime. In case there was any doubt left of the intention, the State Law and Order Restoration Council (SLORC) forced through a specific ban against Aung San Suu Kyi. The only person ever elected to political leadership of Burma now is officially prohibited from running for office.

One must wonder why SLORC went to this much trouble to bar the Nobel Peace Prize winner. The Rangoon regime's new constitution forbids direct election of political leaders. Under this shabby new national charter, voters will have little say in running their country anyhow. They will elect a parliament made up of candidates

approved in advance by the regime. This body then will elect three vice presidents from its own membership. Finally, one of these — again, approved by SLORC — will serve as president. Any decisions the president may make will be subject to review by hand-picked supporters of the regime.

All of this is, of course, merely a show designed to keep the current rulers of Burma in power. It has also the aim of convincing some outsiders and apologists that SLORC is working towards democracy. In fact, the opposite is occurring. In case the new constitution ever is promulgated, Burma will remain a no-party state with all power resting in the armed forces. The constitution provides for no important freedoms such as freedom of the press and freedom to assemble. The only freedom which seems assured by the new national charter is SLORC's freedom to terminate political opposition.

Gen Tan Shwe, who serves as the chairman of SLORC and thus as the effective president of Burma, spent his Armed Forces Day speech giving his revealing reasons why the army has to stay in charge in Burma. Throughout the world, most such speeches dwell on the need for the army to defend the borders against foreign aggression. But the Burmese leader saw threats everywhere. "Some foreign destructionists," he said, are trying "to drive a wedge between the army and the people." In case a few dull listeners missed his point, he repeated that he was speaking about "a few internal destructionists."

The xenophobic SLORC leadership has long maintained that Mrs Suu Kyi is in the grip, and perhaps the pay, of foreigners and that she seeks political power to sell out Burma. This is because she received a higher education abroad, and is married to a Briton. Since it released Mrs Suu Kyi from house arrest last year in order to evade some harsh criticism, the regime has sought to isolate her. Members of the junta have refused to talk with her, although she is clearly the nation's most popular politician and has carefully and repeatedly called for national reconciliation without violence.

The people of Burma must settle their own political problems and establish their own course. Unfortunately for them, the new national charter rammed by SLORC through a fearful and compliant constitutional convention allows no such action. On its own, this is an injustice against Burmese citizens. But the junta's actions have caused and, we fear, will continue to cause trouble on our borders and for our citizens. Burma's special deal with the drug kingpin Khun Sa has already caused new heroin smuggling. Rangoon-supported groups such as the so-called Buddhist Karens have killed Thais, and are a constant danger.

The rulers in Burma should not expect respect for their new constitution. It is simple to see through their plan to hold power indefinitely. At the same time, they hope to continue to profit from foreign investment, tourism and other international commerce. SLORC can, however, earn respect and acceptance only if it recognises the rights of its people to chart their own national destiny.

What will earn the Rangoon regime the respect it desires is to ease its dictatorship progressively. SLORC must recognise the basic rights of Burmese to be free in their own country. That includes the right to oppose government decisions by peaceful protest. When it seized power in a bloody 1988 confrontation, the regime pledged to allow citizens a voice in running their country. Nearly eight years on, there is no sign Rangoon intends to honour that promise.

Thai Paper Views Narong's Credibility, Candidacy
BK0404102696 Bangkok SIAM POST in Thai
 4 Apr 96 p 5

[Editorial: "Democratic Image"]

[FBIS Translated Text] Influential and interest groups in the Chat Thai Party have moved to support Narong Wongwan, leader of the party's Thoet Thai faction, to stand in the byelection of Constituency 2 of Chiang Rai Province. This follows the recent death of Chat Thai Member of Parliament (MP) Prathuan Romayanon in a hospital in Bangkok.

Although Narong was elected MP of Phrae Province several times, had been a Cabinet minister, and has long been loved and respected by others, it is strange that he failed to be elected by the province in the last general elections.

Thai politics, it seems, is still immature and unreasonable. For one, there are Chiang Rai old politicians the people of the province are familiar with. Narong himself does not even know whether he possesses all the qualifications that are required constitutionally to be an MP. Whatever it is, his friends and colleagues will try in every way to get him elected.

On this, firstly, Narong should know fully well whether he is constitutionally qualified to stand in the byelection. Secondly, he should also know better than anyone else how many supporting bases he has and how recognizable, loved, and respected he is by Chiang Rai citizens.

Taking these factors into account, will he be able to defeat the local politicians whom the people know very well? Will he will employ special tactics or power in the election campaign? Also, was his decision to contest this election an honorable one?

It is normal for those who respect Narong to sympathize with him. When Narong was leader of the Samakkhitham Party, he won the general election. His party secured the largest number of seats in Parliament, but he failed to become prime minister because of a rather dirty political game.

After the May 1992 incident, democratic changes took place with two general elections being held. The first one was held on 13 September 1992. The Democrat Party then won the largest number of seats and led the formation of a five-party coalition with Chuan Likphai as prime minister.

Later, the "Chuan 4" administration came face to face with crisis in the form of a land reform scandal. During the censure debate sponsored by the opposition, Major General Chamlong Simuang, who was then deputy prime minister and Phalang Tham Party leader, announced his party's withdrawal from the government. Chuan had no other choice but to dissolve parliament the following day.

In the last general elections held on 2 July 1995, the Chat Thai Party won the largest number of seats and went on to form a seven-party coalition government. As a result, Banhan Sinlapa-cha became the prime minister. As a notable senior politician Narong should carefully consider the importance of democracy and political honor, whatever decision he makes.

Thailand: Draft Plan To Liberalize Telecommunications Finalized

*BK0404043496 Bangkok THE NATION in English
4 Apr 96 p B1, B2*

[Unattributed report]

[FBIS Transcribed Text] As the deadline for the global telecommunications agreement draws close, Deputy Prime Minister Amnuai Wirawan will today consider the final draft for Thailand's liberalization offers before forwarding it for Cabinet approval next week.

Amnuai, in his capacity as chairman of the International Relations Policy Committee will look into the details of the country's offers to liberalize the telecom sector to comply with the global effort to create the first multilateral agreement on basic telecommunications services.

The draft stipulates four key positions for Thailand in the face of telecom liberalization. First, the government monopoly will be allowed to continue for a certain period. Second, the government will allow foreign operators to operate "local domestic telephone services".

Third, it says telecom services in Bangkok will be liberalized five years after the communications bill is approved by the parliament, though senior officials do not know when this might be.

Fourth, Thailand will completely liberalize the basic telecommunications sector 10 years after the communications bill is approved.

The draft however fails to specify the country's target year to completely liberalize all aspects of the telecommunications sector.

Industry observers say that Thailand's offers might fail to meet the expectations of some countries, especially the United States.

This is because Thailand is unlikely to open the lucrative long distance telephone market to foreign competitors over the next few years.

AT&T, the largest US telephone company, is waiting anxiously to benefit from the inter-connection fee in the ASEAN market, where demand for telephone services is much higher than the available supply.

"I still think there is a high possibility that the US might back off from the negotiations," said Professor Setthaphon Khusiphithak, deputy director-general of the Post and Telegraph Department.

The European Union, Japan and other World Trade Organization member countries are worried that the US might walk out of the global telecom talks by reasoning that the others' offers fail to meet its expectations.

Washington withdrew from the global boardroom during last year's WTO negotiations on the financial services agreement, saying it was not satisfied with the offers from other WTO countries, especially those from Latin America and Asia.

Nonetheless, Setthaphon said the draft would be the country's best offer. Senior Thai officials are scheduled to take the country's offers to the next round of global telecom talks in Geneva next Wednesday.

Thailand has recently decided to upgrade the country's status from observer to negotiating member in an effort to create a multilateral agreement on telecommunications services for the first time, even though Bangkok has yet to submit an official letter to confirm the country's new status in the telecom negotiations under the WTO.

The WTO has already warned some 60 countries, including 16 members of the European Union, that there is little time left to reach an agreement on global telecom liberalization, whose deadline is April 30.

So far, some key negotiators, especially the US, have expressed concern that some WTO partners, particularly some ASEAN countries, have not yet prepared a sensible offer to open their markets to more foreign competition.

Setthaphon said that Thailand has acknowledged the others' concerns. But it could not offer anything more than has been committed under the draft.

"The key issue for us is the Post and Telegraph Act BE [Buddhist Era] 2477 (1934), which gives the government complete authority to control telecom activities in Thailand," he said.

The government plans to drop the outdated act and replace it with the telecommunications master plan, which has yet to be approved by Cabinet.

Vietnam

SRV: Article Warns of Espionage Under MIA Gulch

BK0404091896 Hanoi QUAN DOI NHAN DAN in Vietnamese 31 Mar 96 p 2

[Article by Thi Ngoc: "'Open Door' and 'Be on Guard'"]

[FBIS Translated Text] Never before have we experienced a more profound sense of security, comfort, and enthusiasm than now in the mid-1990's, as we prepare for the start of the 21st century. As pointed out by the seventh national party congress and the draft political report of the eighth party congress, we have made great achievements in our renovation process, maintained political stability, and extricated ourselves from economic crisis... It can be said that one important factor in this success is the open-door policy of multilateralization and diversification that our party and state have chartered based on the principle that "Vietnam wants to befriend all countries in the world and strive for peace, national independence, social progress, and development..." Between 1991 and 1995 alone, a total of 10 state leaders; 10 prime ministers; four National Assembly chairmen; many delegations led by vice presidents or deputy prime ministers; and hundreds of ministerial, departmental, and sectoral delegations visited our country and signed many important documents. We witnessed three important events in 1995; namely, Vietnam's admission to ASEAN, the normalization of U.S.-Vietnamese relations, and the signing of the Vietnam-EU cooperation agreement.

According to a document provided by Foreign Minister Nguyen Manh Cam, by December 1995 we had established trade ties with 100 countries, our export index had increased by 20 percent over 1994, and 54

countries were participating in 1,300 foreign investment projects worth \$18 billion, [words indistinct] 1994. At their third meeting held recently in Paris, the donor countries pledged to provide Vietnam with \$2.3 billion in preferential aid for 1996. Meanwhile, the volume of aid provided by other countries has reached \$6 billion.

In the past, we confined our relations to the socialist camp and Asian countries. Today, to serve the goal of quick integration and to develop the national economy in the direction of industrialization and modernization, we have established diplomatic ties with 160 countries and have broadened our relations with countries in Northeast Asia, the Middle East, South Pacific, Europe, the Americas, Western Europe, and North America. Vietnam has officially joined ASEAN and has attended the Asia-Europe summit meeting... Never before has our country's image been as highly enhanced as now.

Nonetheless, we must still bear in mind the following statement by Comrade Nguyen Van Linh, adviser to the party Central Committee and former general secretary of the Communist Party of Vietnam: "As we open doors to welcome new winds, we also open doors to 'flies and mosquitoes.'" Now that we think about this issue again, we see that Comrade Nguyen Van Linh's viewpoint remains solid and reminds us of the need to heighten vigilance. These days, hearing the term "vigilance" amid an atmosphere of peaceful negotiations and at a time when war and gunsmoke are no longer seen in our country, many people maintain that "this is excessive concern by a number of military officials," just like medical workers who see germs everywhere. They even asked the question: The United States has adopted a friendly attitude by normalizing relations with our country; many imperialist capitalist countries are now doing business with us and are helping us in our campaign against hunger and poverty; and many charitable, humanitarian, peace, and friendship organizations have entered Vietnam and are implementing megaprojects that we have never been able to carry out before... How can it be that a "peaceful evolution" scheme is under way?

Reality shows that many incidents have taken place, including "earthshaking" ones. Over the past few years, many reactionary organizations have been forced to lay bare the true nature of their counterrevolutionary activities against our country under the cover of sightseeing trips, visits, establishment of representative offices, consultative meetings, and survey groups seeking infrastructure and superstructure projects at the local and state level. There have been hundreds of cases in which foreigners have tried to take our military, national economic, and scientific and technological secrets. Just look at the POW issue, which involves U.S. servicemen still alive in Vietnam after the war, and the MIA issue, which

involves U.S. servicemen missing in the Vietnam war. We have tried to do our best by agreeing to a search and return plan, but the U.S. side has not adopted a serious attitude of good will. At times, it has taken advantage of MIA searches to grasp and exploit many of our secrets. It is like "killing two birds with one stone." Do not be too optimistic about the normalization of U.S.-Vietnamese relations, even though it has brought new opportunities for peace and for building our country in this open-door age. In announcing the normalization of relations with Vietnam, U.S. President Bill Clinton stressed: "Normalization will benefit tens of thousands of U.S. troops and Vietnam war veterans! Normalization is aimed at accelerating the process of 'democratization' in Vietnam." This so-called process of "democratization" is what capitalism did to the Soviet Union and Eastern Europe.

Behind the implementation of the open-door policy are a series of problems that need to be resolved at the same time. We should not belittle the visitors who carry backpacks, use cyclos (trishaws), eat food with us, or sleep around Hoan Kiem Lake. During this current era of information flow and civilization, it is a serious matter if we mistake our enemies for friends. A famous proverb says: "As calm as water in a pond; as violent as a stormy sea." In 1993-94, an espionage group attempted to infiltrate Ho Chi Minh City by air by releasing explosions at 30 points in the city. This was meant to be a shocking event, but they miscalculated. This is because our Army and people have consistently heightened vigilance, even during this era of open-door policy and market economy. They have continued to maintain the vigilant spirit while struggling to build the country and strengthen national defense at every turn in accordance with the spirit of the political platform set forth by Seventh National Party Congress.

Our country has a long coast and a vast border, thus many complicated issues have arisen with the implementation of our open-door policy. One example is the infiltration of smuggled goods and various types of foreign goods that are overrunning domestically manufactured merchandises. Many unessential luxury goods are flooding the market; while many domestic precious and rare products are being "smuggled" across the border. It is regrettable that a number of tasks [words

indistinct] and cultural products carrying reactionary decadent culture have infiltrated the people's daily life and the market.

We are presently stepping up our foreign language program. We have popularized the program for a large number of students and managerial cadres of specialized departments and institutions, especially economic cooperation agencies and sectors that are engaged in joint ventures with foreign countries. By integrating with friendly nations, we have learned that our country still has to struggle in various domains, especially in strengthening our background and capability, without which "advantages cannot make up for disadvantages" in various important national issues involving economic, political, security, and national defense domains.

Being educated is not enough, many foreign business partners can be tricky. It is not as simple as merely signing a contract and leaving it at that! Whom shall we ask to be the doormen? This responsibility should be borne by all people, all of us! Though it will cause unhappiness for Vietnamese listeners, there is a story that must be told. There was a delegation of U.S. citizens, Australians, and Thais who were visiting to map out an investment program for the ethnic minorities in Vietnam. Naturally an escort team was provided by the host country for the delegation, but during their conversations with the ethnic minorities, it turned out the guests understood and spoke the ethnic language fluently, while the Vietnamese escort team knew only a few words!

In coping with the "peaceful evolution" of the enemies, if we lose our vigilance, they will be able to carry out their soft-handed attack, subtle attack, deep-thrust attack, and malicious attack against us. It is obvious that in the "war without gunfire," the enemies, large or small in number, can infiltrate and live in our territory while carrying out the strategy of "planning and doing business for today while plotting long-term schemes for the future." I would like to conclude this article by quoting a great man who said: "Mankind should heighten vigilance." Reality has taught us that there is no grant, distribution, give, or transfer without aims or conditions.

Australia

Australian Government Gets Relief With U.S. Farm Subsidies Bill

BK0204154296 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 8 Mar 96 p 21

[Report by Fred Brenchley]

[FBIS Transcribed Text] The Howard government is set to get substantial relief from a key tension that held throughout U.S.-Australia relations in the Hawke-Keating era — U.S. farm subsidies.

By 270 votes to 155, the Republican-controlled House of Representatives late last week easily passed the "Freedom to Farm" bill's historic dismantling of 1930's-era farm subsidy programs.

The U.S. Senate last month passed virtually identical provisions to sever the traditional link between farm subsidies, price supports and government planting restrictions for crops such as wheat, corn, cotton and rice.

The two bills differ in other areas, which are now being thrashed out in a House-Senate conference. If these are worked out, most Washington agricultural observers predict Bill Clinton will sign into law the death of the Roosevelt New Deal farm programs.

"We've now changed the farm program world," crowed House Agriculture Committee chairman, Republican Pat Roberts, after passage of his Freedom to Farm bill. "It gets the dead hand of government out of farming." The ease of last week's House vote belies the huge effort to push this historic farm reform through Congress. Last year, Roberts couldn't even get his own Republican-controlled committee to pass his bill. Now, it potentially stands alongside last month's telecom law rewrite as the big achievement of the first Republican Congress in 40 years.

Both the Keating government and the National Farmers Federation strongly supported the Roberts proposal as a way to reduce U.S. subsidy distortions that have depressed returns to Australian farmers on world markets. The Australian line complains that the maze of U.S. deficiency payments, target prices and loan rates push up U.S. domestic prices, thereby encouraging excess production.

In turn, Washington dumps this surplus on world market through export subsidies, thereby reducing world market prices.

The Freedom to Farm package would end these domestic price supports replacing them with \$35.8 billion in declining "market transition payments" over the next seven years.

This amounts to only a small reduction in projected U.S. farmer subsidies. However, crop-growers will get the new income support payments even if they do nothing but whittle away on the front porch. In contrast, the existing system delivers the subsidy largely by boosting domestic prices.

A big qualification is that the Freedom to Farm proposal does little to further reduce export subsidies that so much irritate U.S.-Australia relations, such as the Export Enhancement Program [EEP] for wheat and the Dairy Export Incentive Program.

As well, free market Republicans and pro-consumer Democrats narrowly failed last week to separately phase out the notorious U.S. sugar program, which tightly restricts the volume of sugar imports.

Similarly, Washington will continue to strictly limit how much milk powder and cheese Australian dairy producers can sell to American consumers.

Moreover, there's the curious notion pushed by U.S. reform advocates that Freedom to Farm will unshackle American farmers from government planting controls that have restricted their ability to meet the surging export demand from Asia. It's curious because it's the opposite of Australian hopes.

The American reform advocates point to the planting restrictions that the U.S. Department of Agriculture has imposed on its farmers as a precondition for receiving subsidies.

"If I were Australian, I would want the United States to do just what they do and continue this stupid policy because it keeps us out of the world market," said the Heritage Foundation's John Frydenlund in Washington.

The short-term resolution of this curiosity is that, in supporting Freedom to Farm, U.S. crop-growers are being lured by the shrinkage of global grain stocks and the surge in world market prices.

Right now, American wheat growers are getting high world prices but not EEP or domestic price supports, which are suspended when market prices are elevated.

Under Freedom to Farm, they would be allowed to plant as much as they wanted to tap into high world grain prices — and also would get Roberts's transition payments.

The long-term resolution is less clear. The Australian case argues that the U.S. planting controls only take the edge off decades of incentives that have encouraged American farmers to accumulate "base acres" eligible for subsidies.

In Canberra, ABARE [Australian Bureau of Agricultural and Resource Economics] argues that the existing programs have stimulated American farm production by encouraging an "accretion of planting entitlements which institutionalise production capacity above levels which would apply under open market conditions in most years".

Time will tell on this.

Australia: Editorial Urges Industrial Reform

BK0204063096 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 2 Apr 96

[Editorial: "The Current Account Challenge" — received via internet]

[FBIS Transcribed Text] Yesterday's news on the current account deficit may have been better than expected but it still leaves the deficit as one of the major economic challenges facing the new federal government. At the very least, it will continue to place severe limits on the ability of the prime minister, Mr. John Howard, to deliver strong economic growth.

This reflects the fact that the dip in the deficit, which took the figure for February down to \$1.71 billion compared to \$2.45 billion a year ago, was largely the result of cyclical factors. The structural forces keeping the deficit high simply haven't been addressed.

Two of the more important cyclical factors which have been operating recently are the fall-off in new investment, and so a drop in machinery imports, and the lift in commodity prices. The former has helped hold down Australia's import bill, while the latter has pushed up export earnings.

Unfortunately, the main, longer-term factor which has been driving this country's current account deficit - our failure to generate sufficient local saving to finance new investment - remains just as potent as ever. Any weakening of commodity prices or surge in investment will quickly highlight this fact by pushing the current account deficit higher.

At present this deficit is also being held down by the currency effect of the stronger Australian dollar, which is delivering a short-term gain through the mechanism of cheaper imports and more valuable, at least in SA terms, exports. Over the longer term, however, the equation is much less benign.

While a strong currency is unlikely to undermine the activities of those Australian companies which have already established export markets, a sustained lift in the exchange rate would presumably dampen new efforts to break into overseas markets. In conjunction with this a

strong SA would, over time, put a squeeze on import-competing industries.

While the recent strength of the SA, like the better current account deficit, has a lot to do with commodity prices, it also reflects the emphasis being put on holding down inflation by keeping interest rates comparatively high.

The core reasoning here is simple enough and mainly centres on dampening demand and limiting the scope of employers to give in to wage claims. As the governor of the Reserve Bank, Mr. Bernie Fraser, noted last week, it is the risk of a big wages push which is one of the greatest threats to maintaining Australia's recent, much better, performance on inflation.

At this stage it is not clear how serious the threat of a big wage surge really is. Some of the claims being made sound excessive but are much less worrying when it is realised the percentages demanded are not only ambitious but are for two years, not just one.

Then there is the question of whether employers have learnt the lesson of the past - in particular, the fact that taking the easy route of giving in to excessive wage demands can threaten a company's financial survival, particularly in today's more competitive business environment.

Finally, it may well be that employees themselves are generally more realistic about the consequences of big wage victories, appreciating that these may not end up delivering high salaries over the long term but, instead, a short-term boost followed by longer-term unemployment as their employer goes out of business.

If the previous federal government had done more to push on with labour-market reform we could have a lot more confidence that the lessons of the past had been learnt. Certainly, genuine enterprise bargaining is much more likely to inject sanity into wage negotiations than the current hybrid system.

Unfortunately, at this stage the Howard government is doing far too little to sell the need to overhaul the labour market. Until it delivers genuine enterprise bargaining, where wage increases reflect both productivity gains and an employer's ability to pay, the Reserve Bank is right to keep rates high so as to limit the risk of a wages surge.

The fact this high interest rate, and so high dollar, strategy has adverse, long-term implications for the current account deficit is one more reason why the Federal Government must inject much more urgency into its push for industrial relations reform.

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